



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8**

1595 Wynkoop Street  
DENVER, CO 80202-1129  
Phone 800-227-8917  
<http://www.epa.gov/region08>

  
1151630 - R8 SDMS

Ref: 8ENF-L

June 19, 2009

Margo Ramage  
Eisenstein Malanchuk, LLP  
1048 Potomac Street NW  
Washington, DC 20007

RE: Gilt Edge Mine Site  
Lawrence County, South Dakota

Dear Ms. Ramage:

Enclosed are copies of additional insurance related documents we found abandoned at the Gilt Edge Site. We have now completed our review of documents abandoned at the site. I look forward to discussing what we have found on our conference call scheduled for July 7, 2009. Thank you for your assistance in this matter. If you have any questions, please call me at 303-312-6904.

Sincerely,

Andrea Madigan  
Enforcement Attorney

Enclosures  
cc: Stephen Keim, OSRE



Printed on Recycled Paper



# Certificate of Insurance

*miss*

*file - J. Edge*

☒ The Aetna Casualty and Surety Company  
☐ The Standard Fire Insurance Company  
Hartford, Connecticut

To Cyprus Mines  
555 South Flower St.  
Los Angeles, Calif. 90071

Date September 26, 1975

Gentlemen: This is to certify that insurance policies, subject to their terms, conditions and exclusions, are at present in force in the Company indicated above by ☒, as follows:

Name of Insured Hugh M. Harris Drilling Company  
13,636 Jack Rabbit Road, Poway, Calif. 92064  
Covering Oil or Gas Wells--drilling or redrilling

*4/14/75 - court -  
J. Edge*

KIND OF INSURANCE	LIMITS OF LIABILITY			POLICY NO.	EFFECTIVE	EXPIRATION
	Each Person	Each Occurrence	Aggregate			
Workmen's Compensation	Statutory in States of New Mexico and South Dakota			019C18896CCA	8/28/75	8/28/76
Manufacturers' & Contractors' Bodily Injury Liability		\$ ,000				
Property Damage Liability		\$ ,000	\$ ,000			
Owners' or Contractors' Protective Bodily Injury Liability		\$ ,000				
Property Damage Liability		\$ ,000	\$ ,000			
Comprehensive Automobile Bodily Injury Liability	\$ 300 ,000	\$ 300 ,000		19AL197164CCA	8/28/75	8/28/76
Property Damage Liability		\$ 100 ,000				
Comprehensive General including contractual Bodily Injury Liability		\$ 1,000 ,000	\$ 1,000 ,000	19AL197164CCA	8/28/75	8/28/76
Property Damage Liability		\$ 1,000 ,000	\$ 1,000 ,000			
Bodily Injury Liability	\$ ,000	\$ ,000	\$ ,000			
Property Damage Liability		\$ ,000	\$ ,000			

In event of cancellation, 10 days' written notice will be given to the party to whom this certificate is addressed.

FINANCE INSURANCE AGENCY, INC.

By *Chas. E. Milton*  
Chas. E. Milton Authorized Representative



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*miss*  
*file - Diet Edge*

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*4/14/75 - LOOFTT -*  
*giet Edge*

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	Each Person	Each Occurrence	Aggregate			
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Manufacturers' & Contractors' Bodily Injury Liability		\$ ,000				
Property Damage Liability		\$ ,000	\$ ,000			
Owners' or Contractors' Protective Bodily Injury Liability		,000				
Property Damage Liability			,000			
Comprehensive Automobile Bodily Injury Liability				19A1197164CCA	8/28/75	8/28/76
Property Damage Liability						
Comprehensive General including contract Bodily Injury Liability			,000 ,000	19A1197164CCA	8/28/75	8/28/76
Property Damage Liability			,000 ,000			
Bodily Injury Liability			,000			
Property Damage Liability			,000			

*Return to*  
*EPA Box 25*

*1 COPY*  
*for Andrew*

In event of cancellation, 10 days' written notice will be given to the party to whom this certificate is addressed.

FINANCE INSURANCE AGENCY, INC.

By *[Signature]*  
Chas. E. Milton Authorized Representative



**POLICY NUMBER**  
**2 68 MXX 80404375**

**Previous Policy Numbers**  
**2 68 MXX 80330758**

**Coverage for sections  
other than WORKERS'  
COMPENSATION is provided  
in the following Company:**  
**ASSOCIATED INDEMNITY  
CORPORATION**  
**NOVATO, CA 94998**  
**A STOCK INSURANCE CO. (13)**

**PORTFOLIO POLICY (R)**

**GENERAL DECLARATIONS**

**Named Insured and Mailing Address**

**GOLDEN REWARD MINING COMPANY**

**P. O. BOX 888**  
**LEAD**

**SD 57754**

**Producer Name and Address**

**COBURN INSURANCE AGENCY**

**P. O. BOX 507**  
**DEADWOOD**

**SD 57732**

**The Named Insured is a(n) JOINT VENTURE**

**Business or Operations of the Named Insured: SURFACE GOLD MINE**

**Insurance is provided only under each coverage of this policy or the WORKERS'  
COMPENSATION AND EMPLOYERS' LIABILITY POLICY listed below, subject otherwise to  
all the terms and conditions of the General Provisions and of said Coverage(s)  
or policy having reference thereto.**

**PROPERTY COVERAGES**  
**GLASS COVERAGES**

**Policy Period (For above coverages)**

**INCEPTION DATE 11-12-89**

**EXPIRATION DATE 11-12-90**

**Beginning and Ending at 12:01 A.M., Standard Time  
at the address of the insured**

POLICY NUMBER 2 68 MXX 80404375  
PORTFOLIO POLICY (R)  
Named Insured  
GOLDEN REWARD MINING COMPANY

GENERAL DECLARATIONS Continued

PREMIUM SUMMARY:

Estimated Annual Premium	\$28,455.00
Premium Due at Inception	\$28,455.00

This Policy may be subject to Premium Adjustment per Policy Terms.

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Tentative Premium Provision shall be applicable to:

PROPERTY

POLICY NUMBER 2 68 MXX 80404375  
PORTFOLIO POLICY (R)  
Named Insured  
GOLDEN REWARD MINING COMPANY

*will be  
modified*

GENERAL DECLARATIONS Continued

LOCATIONS OF PREMISES--Applicable to Coverages specified in these Declarations  
(Not applicable to WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY POLICY)

LOC.  
001 GILT EDGE MINE, SOUTH OF LEAD - CHAIN FENCE  
LEAD SD 57754  
002 GILT EDGE MINE, SOUTH OF LEAD - WATER STORAGE/PUMPS  
LEAD SD 57754  
003 GILT EDGE MINE, SOUTH OF LEAD - POWER DIST.  
LEAD SD 57754  
004 GILT EDGE MINE, SOUTH OF LEAD - PROPANE STORAGE  
LEAD SD 57754  
005 GILT EDGE MINE, SOUTH OF LEAD - FUEL/LUBE STORAGE  
LEAD SD 57754  
006 GILT EDGE MINE, SOUTH OF LEAD - CRUSHER BLDG.  
LEAD SD 57754  
007 GILT EDGE MINE, SOUTH OF LEAD - LEACH PAD & POND AREA  
LEAD SD 57754  
008 GILT EDGE MINE, SOUTH OF LEAD - MERRILL CROWE AREA PLANT  
LEAD SD 57754  
009 GILT EDGE MINE, SOUTH OF LEAD - DEAERATION TOWER  
LEAD SD 57754  
010 GILT EDGE MINE, SOUTH OF LEAD - AUXILIARY SERVICE  
LEAD SD 57754  
011 GILT EDGE MINE, SOUTH OF LEAD - PIPE LINE & WATER SYSTEM  
LEAD SD 57754  
012 GILT EDGE MINE, SOUTH OF LEAD - TRUCK SHOP  
LEAD SD 57754  
013 GILT EDGE MINE, SOUTH OF LEAD - OFFICE BLDG.  
LEAD SD 57754  
014 GILT EDGE MINE, SOUTH OF LEAD - GUARD HOUSE  
LEAD SD 57754

POLICY NUMBER 2 68 MXX 80404375  
PORTFOLIO POLICY (R)  
Named Insured  
GOLDEN REWARD MINING COMPANY

GENERAL DECLARATIONS Continued

LOCATIONS OF PREMISES--Applicable to Coverages specified in these Declarations  
(Not applicable to WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY POLICY)

LOC.

015	GILT EDGE MINE, SOUTH OF LEAD - GUARD HOUSE GATE LEAD	SD 57754
016	GILT EDGE MINE, SOUTH OF LEAD - STORAGE SHED LEAD	SD 57754
017	GILT EDGE MINE, SOUTH OF LEAD - LEAD	SD 57754
018	306-310 1/2 MAIN ST. - OFFICE LEAD	SD 57754

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FORMS ATTACHED AT INCEPTION

CP0015 07-88	CP0050 07-88
CP0090 07-88	CP0119 04-87
CP1218 07-88	IL0003 11-85
IL0017 11-85	141009 12-86
141035 12-88	142000 12-88

Countersignature of Authorized Agent: \_\_\_\_\_

Date 11/30/89

Producer COBURN INSURANCE AGENCY  
P. O. BOX 507  
DEADWOOD

SD 57732

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**Calculation Of Premium - IL 00 03 11 85**  
Policy Amendment

**This endorsement modifies insurance provided under the PROPERTY, CRIME, INLAND MARINE, GENERAL LIABILITY, AUTOMOBILE and FARM COVERAGES.**

All Coverage Parts included in this policy are subject to the following conditions.

The premium shown in the Declarations was computed based on rates in effect at the time the policy

was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

This Form must be attached to Change Endorsement when issued after the policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY



President

## Common Policy Conditions - IL 00 17 11 85

### Policy Amendment

This endorsement modifies insurance provided under the PROPERTY, CRIME, INLAND MARINE, GENERAL LIABILITY, AUTOMOBILE and FARM COVERAGES.

All Coverage Parts included in this policy are subject to the following conditions.

#### A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

#### B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

#### C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

#### D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

This Form must be attached to Change Endorsement when issued after the policy is written.

ONE OF THE FIREMAN'S FUND INSURANCE COMPANIES AS NAMED IN THE POLICY



President

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### **E. PREMIUMS**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

#### **F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY.**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

POLICY NUMBER 2 68 MXX 80404375

NAMED INSURED  
GOLDEN REWARD MINING COMPANY

PORTFOLIO POLICY (R)

**PROPERTY-GARD (R) PROPERTY DECLARATIONS**

INSURANCE IS PROVIDED ONLY FOR THOSE COVERAGES, ENDORSEMENTS AND  
LIMITS OF LIABILITY SHOWN BELOW.

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**BUSINESS PERSONAL PROPERTY - SPECIAL CAUSES OF LOSS FORM**

COINSURANCE 90%

PROPERTY COVERED AND LIMITS OF LIABILITY

ITEM A - STOCK

ITEM B - FURNITURE, FIXTURES, EQUIPMENT AND MACHINERY

PROPERTY AT SPECIFICALLY IDENTIFIED LOCATIONS

BLANKET LIMITS OF LIABILITY: \$1,344,503 DEDUCTIBLE \$250

LOC COVERAGE ITEMS

LOC COVERAGE ITEMS

001 A,B

018 A,B

REPLACEMENT COST

APPLIES AT LOCATIONS 001 018

BUSINESS PERSONAL PROPERTY COVERED INCLUDES PROPERTY OF OTHERS  
AT LOC. 018

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**BUSINESS REAL PROPERTY - SPECIAL CAUSES OF LOSS FORM**

COINSURANCE 90%

LOCATIONS AND LIMITS OF LIABILITY

BLANKET LIMITS OF LIABILITY: \$4,740,863 DEDUCTIBLE \$250

FOR LOC. 001 018

REPLACEMENT COST

APPLIES AT LOCATIONS 001 018

POLICY NUMBER 2 68 MXX 80404375

NAMED INSURED  
GOLDEN REWARD MINING COMPANY

PORTFOLIO POLICY (R)

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**TIME ELEMENT - SPECIAL CAUSES OF LOSS FORM**

**EXTRA EXPENSE**

**LOCATIONS, LIMITS, AND EXTRA EXPENSE PERCENTAGES**

LOC	LIMITS OF LIABILITY	PERCENTAGES
018	\$10,000	40%-80%-100%

**PROPERTY ENDORSEMENTS**

WATER DAMAGE EXCLUSION ENDORSEMENT (141009 12 86)  
APPLIES TO: BUSINESS PERSONAL PROPERTY  
LOC(S): 001 018

APPLIES TO: BUSINESS REAL PROPERTY  
LOC(S): 001 018

**LOSS PAYABLE PROVISIONS (CP 12 18 07 88)**

LOC 018                      AMOUNT OF INSURANCE  
PROVISIONS LOSS PAYABLE  
LOSS PAYEE NAME AND ADDRESS  
✓ STANDARD CHARTERED AUSTRALIA  
LIMITED PLACE  
15 WILLIAMS STREET  
PERTH                                      WA              60000

**SUPPLEMENTARY STATE ENDORSEMENT(S)**

**SOUTH DAKOTA**

SOUTH DAKOTA CHANGES (CP 01 19 04 87)

**ENDORSEMENTS - OTHER PROPERTY COVERAGE**

001              LOCATION 001 - GILT EDGE MINE, SOUTH OF LEAD,  
LEAD, SD 57754

LOCATION 001 PROPERTY LIMITS ARE A TOTAL OF LOCATION 001 THRU 017.

POLICY NUMBER 2 68 MXX 80404375

NAMED INSURED  
GOLDEN REWARD MINING COMPANY

PORTFOLIO POLICY (R)

**OTHER INTERESTS**

MORTGAGEES	LOCATIONS AND MORTGAGEE NAME AND ADDRESS
LOC 018	SPECIAL MORTGAGEE FORM NUMBER
	STANDARD CHARTERED AUSTRALIA
	LIMITED AUSTRALIA PLACE
	15 WILLIAMS STREET
PERTH	WA 60000

# **RELIANCE INSURANCE COMPANY OF ILLINOIS**

## **POLLUTION AND REMEDIATION LEGAL LIABILITY/POLLUTION CLEAN-UP APPLICATION**

This is an application for a "claims made and reported" policy—PLEASE READ CAREFULLY

### **INSTRUCTIONS TO APPLICANTS:**

- 1) Answer all questions; please leave no blank spaces. If any questions do not apply, or the answer is "no," please indicate.
- 2) This form should be used as an indication of the type of information that is required. Where space is limited, please use additional referenced pages.
- 3) If this submission includes multiple locations, please answer the questions that pertain to any of the properties and attach a property schedule that identifies location, description and use.
- 4) This application **MUST** be signed and dated by a duly authorized owner, partner or officer of the company.
- 5) Attach a copy of the company's most recent annual report and a copy of the last two (2) years audited financial statements.

1) DETAILS OF THE INSURED

Name of Applicant: Brohm Mining Corp.

Mailing Address: P.O. Box 485, Deadwood, SD 57732

Contact Name: Dale Shay, Director of Environmental Affairs

Telephone Number: (605) 578-2107

2) COVERAGE REQUESTED:

Policy Term:

X 1 year           2 years           3 years

Limits of Liability:

\$ 318,000 Per Loss or Remediation Expense (\$15 million maximum)

\$ 318,000 Aggregate (\$30 million maximum)

Prospective Additional Insured (if any)

Name: The State of South Dakota

3) NAMED INSURED IS:

       Partnership    X Corporation           Joint Venture           Other       

4) REVENUES:

Estimated (Ensuing Year): 19 95 : \$ 4.5 million

Last Two Years: 19 94 : \$ 1.0 million    19 93 : \$ 3.7 million

5) Describe environmental risk management controls used prior to acquiring property or making loans. Include firms approved to perform environmental site assessments (attach copies of any environmental risk management procedures):

Prior to acquiring property risk assessments were apparently not conducted. Current  
risk assessments have been made by insurance carriers.

6) PROPERTY DESCRIPTION:

Proposed Location:

Name: Gilt Edge Mine

Address: 6 miles south of Deadwood, SD off highway 385

- 7) Total acreage of this property: Total permitted = 406 Total affected = 185
- 8) What structures are currently on this property (i.e. type of building, square footage, age, etc.)? Main office  
Building- 4928 sq. ft.; Laboratory-3200 sq.ft.; Process Plant-9600 sq. ft.; R.O.  
building-1500 sq. ft.; Contractor shop-2400 sq. ft.; Crusher Bldg.-960 sq. ft.;  
R.O. (new) all others 6 years.; Neutralization Bldg.-1080 sq. ft.; Fire Bldg-450 sq. ft.;  
Orofino Bldg.-1500 sq. ft.
- 9) List the current occupants of this property: Brohm Mining Corp.
- 10) How long has present owner controlled or owned this property? Since 1987
- 11) Briefly describe current operations conducted at the site: Open pit heap leach gold and silver mine.  
Start-up in 1987. Gold and silver recovery by Merrill-Crowe system. Historic  
underground mining and associated milling from late 1800's to 1940's.
- 12) Does this property generate, handle, store or dispose of any hazardous waste or materials? X Yes        No  
If Yes, please provide the following details. Laboratory waste, centrifuge tubes, etc.
- a. Describe the on-site storage practices and storage areas: Laboratory streams are disposed according  
to RCRA standards. Centrifuge tubes stored in RCRA approved drums. CN stored in  
RCRA and DOT approved containers.
- b. Describe the disposal methods used: At the present time, there are no plans for disposal of  
these wastes, however should disposal be required, RCRA standards would be followed.

c. Describe the waste treatment practices used: Currently wastes except CN, are not treated on-site. See a. and b. above for waste handling procedures. CN is treated using a Reverse Osmosis system.

d. Identify effluent discharge points for wastewater and stormwater (attach discharge monitoring results): Brohm Mining Corp. has an approved NPDES permit. Compliance points (2) are located in Ruby Gulch and Strawberry Creek. Recent discharge results are attached.

13) Does this property presently have any aboveground or underground storage tanks? X Yes        No

If Yes, please provide the following information:

a. Tank Storage (attach additional table if necessary):

<u>Tank No.</u>	<u>Construction Material</u>	<u>Capacity</u>	<u>Age</u>	<u>AST or UST</u>	<u>Secondary Containment</u>
<u>N/A</u>	<u>Hyd. Peroxide</u>	<u>8,000 gal.</u>	<u>N/A</u>	<u>AST</u>	<u>None</u>
<u>1 &amp; 2</u>	<u>Hyd. Peroxide</u>	<u>10,000 gal.</u>	<u>3 yrs.</u>	<u>AST</u>	<u>None</u>
<u>3 &amp; 4</u>	<u>Liq. Propane</u>	<u>10-12,000 gal.</u>	<u>N/A</u>	<u>AST</u>	<u>None</u>
<u>N/A</u>	<u>Diesel</u>	<u>10,000 gal.</u>	<u>N/A</u>	<u>AST</u>	<u>Diked</u>
<u>N/A</u>	<u>Gasoline</u>	<u>1,000 gal.</u>	<u>N/A</u>	<u>AST</u>	<u>Diked</u>
<u>N/A</u>	<u>Carbon Dioxide</u>	<u>8,000 gal.</u>	<u>N/A</u>	<u>AST</u>	<u>None</u>

b. Explain any tank inventory control and/or testing methods used: All tanks are above ground in contained and lined areas. They are inspected visually for leaks. Inventory is controlled by the site lead maintenance person. Currently, inventory is always low due to site slow-down.

14) What were the past uses of this property? Since 1987, an open pit heap leach gold and silver mine. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

15) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

16) **PROPERTY SETTING**

a. Provide a description of adjacent properties (North, East, South and West): The property is generally surrounded on all sides by the U.S. Forest Service. Brohm owns or controls the remaining permit areas and adjacent areas.

b. Identify nearby surface water bodies (i.e. streams, lakes, wetlands): Two streams, Ruby Gulch and Strawberry Creek originate on the site and flow to Bear Butte Creek (perennial) approximately 1.5 miles from the site. Both streams are intermittent on the site. No other streams, lakes, or wetlands exist on site.

c. Are there any protected environments in the area (parks, wildlife preserves, etc.)? Yes ☒ No

If Yes, please describe: \_\_\_\_\_

d. Identify any surface or groundwater uses in the area (drinking wells, etc.): No domestic or commercial uses within 1 mile of the mine property boundaries.

e. Is public water and sewer available? Yes ☒ No

17) a. Have any prior environmental audits been done for this property within the past two years? ☒ Yes No

If Yes, please attach copies as available. Environmental audits conducted by insurance firm, Unavailable to Brohm Mining Corp.

b. Were any recommendations made or was any action plan concerning environmental issues suggested? \_\_\_\_\_

☒ Yes No If Yes, please provide full details as to the recommendations and the status of compliance.

Recommendations are attached.

18) RECORD:

- a. Have you during the last five (5) years been prosecuted for contravention or violation of any standard or law relating to the release from the location(s) of a substance into sewers, rivers, air or onto land? ☒ Yes ☐ No  
If Yes, give details: NOV received from SD-DENR for the accidental spill of CN in 1989.  
NOV from SD-DENR for release of acid mine drainage in 1993.

- b. Please describe any pollution claims during the last five (5) years (if none, please so state): None

- c. At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy? ☐ Yes ☒ No

If Yes, give details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_


THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

**\*NOTICE TO NEW YORK APPLICANTS:**

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: J.C. Sowers, III Title: Treasurer

Applicant's Signature:  Date: 12/28/94

Agent/Broker Name: Marsh & McLennan, Incorporated

Agency Name and Address: 1050 17th Street, Suite 900  
Denver, Colorado 80265

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

**Pollution and Remediation Legal Liability/pollution Clean-up  
Application**

**Attachments - Item 17b**

13-d

PERMITTEE NAME/ADDRESS (Include  
Facility Name/Location if different)  
NAME BROWN MOUNTAIN MINING GOLD CORP.  
ADDRESS 0 BOX 645  
DEARWOOD SD 57732

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)  
DISCHARGE MONITORING REPORT (DMR)

(7-16)  
SD0026691

PERMIT NUMBER

(7-19)  
001 A

DISCHARGE NUMBER

MAJOR

Form Approved.

W - INTERIMING No. 2040-0004

ANY FLOW IN SPRING CREEK

2  
FACILITY Gilt Edge Mine

LOCATION  
ATTN: MYRON ANDERSON, MGR ENV AFFRS

MONITORING PERIOD								
FROM	YEAR	MO	DAY	TO	YEAR	MO	DAY	
	94	10	01		94	10	31	
	(20-21)	(22-23)	(24-25)		(26-27)	(28-29)	(30-31)	

\*\*\* NO DISCHARGE \*\*\*

NOTE: Read instructions before completing this form.

PARAMETER (32-37)	SAMPLE MEASUREMENT	(3 Cont Only) QUANTITY OR LOADING (46-53)			(4 Cont Only) QUALITY OR CONCENTRATION (54-61)			NO. EX (62-63)	FREQUENCY OF ANALYSIS (64-68)	SAMPLE TYPE (69-70)
		AVERAGE	MAXIMUM	UNITS	MINIMUM	AVERAGE	MAXIMUM			
TEMPERATURE, WATER DEG. CENTIGRADE 00010 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****	6.12	8.8	(04)	N/A	Inst.
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT			
00400 1 0 0	SAMPLE MEASUREMENT	*****	*****		3.33	*****	8.09	(12)	N/A	Inst.
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	****	MINIMUM	*****	MAXIMUM			Inst.
SOLIDS, TOTAL SUSPENDED	SAMPLE MEASUREMENT	*****	*****		*****	49.6	76.0	(19)	N/A	Grab
00530 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****	90	157.5			
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	****	*****	300A AVG	DAILY MX			
NITROGEN, AMMONIA TOTAL (AS N)	SAMPLE MEASUREMENT	*****	*****		*****	0.074	0.141	(19)	N/A	Grab
00610 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT			
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	****	*****	300A AVG	DAILY MX			
NITROGEN, NITRATE TOTAL (AS N)	SAMPLE MEASUREMENT	*****	*****		*****	0.432	0.711	(19)	N/A	Grab
00620 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT			
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	****	*****	300A AVG	DAILY MX			
CYANIDE, WEAK ACID, SOCIABLE	SAMPLE MEASUREMENT	*****	*****		*****	<10.0	<10.0	(28)	N/A	Grab
00718 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT			
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	****	*****	300A AVG	DAILY MX			
CYANIDE, TOTAL (AS CN)	SAMPLE MEASUREMENT	*****	*****		*****	<10.0	<10.0	(28)	N/A	Grab
00720 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT			
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	****	*****	300A AVG	DAILY MX			

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER

Alan Bell, President & CEO

TYPED OR PRINTED

I CERTIFY UNDER PENALTY OF LAW THAT I HAVE PERSONALLY EXAMINED  
AND AM FAMILIAR WITH THE INFORMATION SUBMITTED HEREIN AND BASED  
ON MY KNOWLEDGE OF THE INFORMATION, I BELIEVE THE SUBMITTED INFORMATION IS  
TRUE, ACCURATE AND COMPLETE. I AM AWARE THAT THERE ARE  
SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION INCLUDING  
THE POSSIBILITY OF FINE AND IMPRISONMENT SEE 18 USC § 1001 AND  
33 USC § 1910 (Penalties under these statutes may include fines up to  
\$10,000 and or maximum imprisonment of between 6 months and 5 years.)

SIGNATURE OF PRINCIPAL EXECUTIVE  
OFFICER OR AUTHORIZED AGENT

TELEPHONE

605 578-2107

AREA  
CODE

NUMBER

DATE

74 10 28

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all attachments here)

IF NO DISCHARGE OCCURS DURING THE REPORTING PERIOD, "NO DISCHARGE" SHALL BE REPORTED.

PERMITTEE NAME/ADDRESS (Include  
Facility Name/Location if different)  
NAME **IRON MINING MINVEN GOLD CORP.**  
ADDRESS **0 BOX 485**  
**DEADWOOD SD 57732**

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)  
DISCHARGE MONITORING REPORT (DMR)  
(17-19)  
SD0026891  
PERMIT NUMBER

MAJOR  
Form Approved  
N - INTERINOMB No. 2040-0004  
ANY FLOW IN A STREAM OR CREEK

FACILITY **011c Edge Mine**  
LOCATION  
ATTN: **NEILSON ANDERSON, ASST. ENV. MGRS**

MONITORING PERIOD  
FROM YEAR **94** MO **10** DAY **01** TO YEAR **94** MO **10** DAY **31**  
(20-21) (22-23) (24-25) (26-27) (28-29) (30-31)

\*\*\* NO DISCHARGE \*\*\*  
NOTE: Read instructions before completing this form.

PARAMETER (32-37)	X	(3 Cont Only) QUANTITY OR LOADING (54-55)			(4 Cont Only) QUALITY OR CONCENTRATION (54-55)			NO. EX (62-63)	FREQUENCY OF ANALYSIS (64-65)	SAMPLE TYPE (69-70)	
		AVERAGE (54-55)	MAXIMUM (54-55)	UNITS (54-55)	AVERAGE (54-55)	MAXIMUM (54-55)	UNITS (54-55)				
HARDNESS, TOTAL (AS CaCO3) 00900 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	275.0	470.0	(19)	N/A	1/7	Grab
EFFLUENT GROSS VALUE	REPORT DAILY	*****	*****	****	*****	*****	*****	MG/L			
ARSENIC, TOTAL RECOVERABLE 00978 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	24.0	24.0	(20)	N/A	1/31	Grab
EFFLUENT GROSS VALUE	REPORT DAILY	*****	*****	****	*****	*****	*****	UG/L			
IRON TOTAL RECOVERABLE 00980 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	1010.0	1010.0	(20)	N/A	1/31	Grab
EFFLUENT GROSS VALUE	REPORT DAILY	*****	*****	****	*****	*****	*****	UG/L			
SELENIUM, TOTAL RECOVERABLE 00981 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	<5.0	<5.0	(20)	N/A	1/31	Grab
EFFLUENT GROSS VALUE	REPORT DAILY	*****	*****	****	*****	*****	*****	UG/L			
BERYLLIUM, TOTAL RECOVERABLE (AS BE) 00998 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	<1.0	<1.0	(20)	N/A	1/31	Grab
EFFLUENT GROSS VALUE	REPORT DAILY	*****	*****	****	*****	*****	*****	UG/L			
NICKEL TOTAL RECOVERABLE 0074 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	<5.0	<5.0	(20)	N/A	1/31	Grab
EFFLUENT GROSS VALUE	REPORT DAILY	*****	*****	****	*****	*****	*****	UG/L			
SILVER TOTAL RECOVERABLE 01079 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	<1.0	<1.0	(20)	N/A	1/31	Grab
EFFLUENT GROSS VALUE	REPORT DAILY	*****	*****	****	*****	*****	*****	UG/L			

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER  
**Alan Bell, President & CEO**  
TYPED OR PRINTED

I CERTIFY UNDER PENALTY OF LAW THAT I HAVE PERSONALLY EXAMINED AND AM FAMILIAR WITH THE INFORMATION SUBMITTED HEREIN AND BASED ON MY BELIEF OF THE INFORMATION, I BELIEVE THE SUBMITTED INFORMATION IS TRUE, ACCURATE, AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION, INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT SEE 18 USC, § 1001 AND 33 USC, § 1315. (A fine under these statutes may include fines up to \$1000 and or imprisonment of between 6 months and 5 years.)

*Alan Bell*  
SIGNATURE OF PRINCIPAL EXECUTIVE  
OFFICER OR AUTHORIZED AGENT

TELEPHONE  
605 578-2107  
DATE  
94 10 28  
AREA CODE NUMBER YEAR MO DAY

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all other reports here)

IF NO DISCHARGE OCCURS DURING THE REPORTING PERIOD, "NO DISCHARGE" SHALL BE REPORTED.

PERMITTEE NAME/ADDRESS (Include:  
Facility Name/Location if different)  
NAME **BROWN MOUNTAIN MINING GOLD CORP.**  
ADDRESS **P.O. BOX 185**  
**DEADWOOD SD 57732**

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)  
DISCHARGE MONITORING REPORT (DMR)  
(2-16) (17-19)  
**SD0026891** **001 A**  
PERMIT NUMBER DISCHARGE NUMBER

MAJOR

Form Approved.

M - INTERIM FORM No. 2040-0004

ANY FLOW IN SPRING OR RIVER

FACILITY **Gilt Edge Mine**

LOCATION

ATTN: **MYRON WIDERSHIM FOR ENV AFFAIRS**

MONITORING PERIOD  
FROM YEAR **94** MO **10** DAY **01** TO YEAR **94** MO **10** DAY **31**  
(20-21) (22-23) (24-25) (26-27) (28-29) (30-31)

\*\*\* NO DISCHARGE [ ] \*\*\*

NOTE: Read instructions before completing this form.

PARAMETER (32-37)	SAMPLE MEASUREMENT	(3 Card Only) QUANTITY OR LOADING (46-53)			(4 Card Only) QUALITY OR CONCENTRATION (38-45)			NO. EX (62-63)	FREQUENCY OF ANALYSIS (64-68)	SAMPLE TYPE (69-70)
		AVERAGE	MAXIMUM	UNITS	MINIMUM	AVERAGE	MAXIMUM			
ZINC TOTAL RECOVERABLE 01094 1 0 0		*****	*****		*****	910.0	1930.0	(28)	N/A	1/7 Grab
EFFLUENT GROSS VALUE		*****	*****	****	*****	750	1500			
MINIMUM TOTAL RECOVERABLE 01104 1 0 0		*****	*****		*****	67754.0	254000.0	(28)	N/A	1/7 Grab
EFFLUENT GROSS VALUE		*****	*****	****	*****	REPORT	REPORT			
CADMIUM TOTAL RECOVERABLE 01113 1 0 0		*****	*****		*****	29.4	68.0	(28)	N/A	1/7 Grab
EFFLUENT GROSS VALUE		*****	*****	****	*****	300A AVG	DAILY MX			
LEAD TOTAL RECOVERABLE 01114 1 0 0		*****	*****		*****	3.4	7.0	(28)	N/A	1/7 Grab
EFFLUENT GROSS VALUE		*****	*****	****	*****	300A AVG	DAILY MX			
CHROMIUM TOTAL RECOVERABLE 01118 1 0 0		*****	*****		*****	<1.0	<1.0	(28)	N/A	1/31 Grab
EFFLUENT GROSS VALUE		*****	*****	****	*****	REPORT	REPORT			
COPPER TOTAL RECOVERABLE 01119 1 0 0		*****	*****		*****	4220.8	9800.0	(28)	N/A	1/7 Grab
EFFLUENT GROSS VALUE		*****	*****	****	*****	300A AVG	DAILY MX			
MANGANESE, TOTAL RECOVERABLE 11123 1 0 0		*****	*****		*****	1250.0	1250.0	(28)	N/A	1/31 Grab
EFFLUENT GROSS VALUE		*****	*****	****	*****	REPORT	REPORT			

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER  
**Alan Bell, President & CEO**  
TYPED OR PRINTED

I CERTIFY UNDER PENALTY OF LAW THAT I HAVE PERSONALLY EXAMINED AND AM FAMILIAR WITH THE INFORMATION SUBMITTED HEREIN AND BASED ON MY INQUIRY OF THOSE INDIVIDUALS IMMEDIATELY RESPONSIBLE FOR OBTAINING THE INFORMATION I BELIEVE THE SUBMITTED INFORMATION IS TRUE, ACCURATE AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT. SEE 18 USC § 1001 AND 23 USC § 1318. (Penalties under these statutes may include fines up to \$5000 and or maximum imprisonment of between 6 months and 3 years.)

*Donald J. Bell*  
SIGNATURE OF PRINCIPAL EXECUTIVE  
OFFICER OR AUTHORIZED AGENT

TELEPHONE  
605 578-2107

DATE  
94 11 28  
YEAR MO DAY

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all attachments here)

IF NO DISCHARGE OCCURS DURING THE REPORTING PERIOD, "NO DISCHARGE" SHALL BE REPORTED.



PERMITTEE NAME/ADDRESS (Include  
Facility Name/Location if different)

NAME **BROHM MINING-MINVEN GOLD CORP.**

ADDRESS **0 BOX 485**

**DEAQM000**

**SU 57732**

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)

DISCHARGE MONITORING REPORT (DMR)

(2-16)

(17-19)

MAJOR

Form Approved

F - FINAL OMB No. 2040-0004

ANY FLOW INFORMATION REQUIRED

**SD0026821**

PERMIT NUMBER

**002 A**

DISCHARGE NUMBER

MONITORING PERIOD

YEAR	MO	DAY	TO	YEAR	MO	DAY
94	10	01		94	10	31
(20-21)	(22-23)	(24-25)		(26-27)	(28-29)	(30-31)

\*\*\* NO DISCHARGE \*\*\*

NOTE: Read instructions before completing this form.

FACILITY **Glitt Edge Mine**

LOCATION

**EXTENSIVE ROCKY MOUNTAIN MOUNTAIN AREA**

PARAMETER (32-37)		(3 Cnd Only) QUANTITY OR LOADING (46-53)			(4 Cnd Only) QUALITY OR CONCENTRATION (54-61)			NO. EX (62-63)	FREQUENCY OF ANALYSIS (64-68)	SAMPLE TYPE (69-70)
		AVERAGE	MAXIMUM	UNITS	MINIMUM	AVERAGE	MAXIMUM			
TEMPERATURE, WATER DEG. CENTIGRADE 00010 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	7.1	8.1	(04)	0	1/7 Inst.
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	***	*****	REPORT	REPORT	DEC.C		WEEKLY INST.
00400 1 0 0	SAMPLE MEASUREMENT	*****	*****		4.65	*****	7.97	(12)	2	3/31 Inst.
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	***	6.0	*****	9.0	SU		WEEKLY INST.
SOLIDS, TOTAL SUSPENDED 00530 1 0 0	SAMPLE MEASUREMENT	*****	*****		*****	3.25	13.0	(19)	0	5/31 Grab
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	*****	*****	***	*****	REPORT	REPORT	MG/L		WEEKLY INST.
SOLIDS, SETTLEABLE	SAMPLE MEASUREMENT	*****	*****		*****	*****	<0.5	(25)	0	1/31 Grab
00545 1 0 0	PERMIT REQUIREMENT	*****	*****	***	*****	*****	0.5	ML/L		WEEKLY INST.
EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	<0.05	<0.05	(19)	0	2/31 Grab
NITROGEN, AMMONIA TOTAL (AS N) 00610 1 0 0	PERMIT REQUIREMENT	*****	*****	***	*****	REPORT	REPORT	MG/L		WEEKLY INST.
EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	7.235	13.4	(19)	0	3/31 Grab
NITROGEN, NITRATE TOTAL (AS N) 00720 1 0 0	PERMIT REQUIREMENT	*****	*****	***	*****	REPORT	REPORT	MG/L		WEEKLY INST.
EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	<10.0	<10.0	(28)	0	3/31 Grab
CYANIDE, WEAR ACID, DISSOCIABLE 00718 1 0 0	PERMIT REQUIREMENT	*****	*****	***	*****	REPORT	REPORT	UG/L		WEEKLY INST.
EFFLUENT GROSS VALUE										

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER

**Alan Bell, President & CEO**

TYPED OR PRINTED

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*James P. Bell*  
SIGNATURE OF PRINCIPAL EXECUTIVE  
OFFICER OR AUTHORIZED AGENT

TELEPHONE

DATE

**605 578-2107**

**94 11 28**

AREA CODE NUMBER YEAR MO DAY

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all attachments here)

IF NO DISCHARGE OCCURS DURING THE REPORTING PERIOD, "NO DISCHARGE" SHALL BE REPORTED.

PERMITTEE NAME/ADDRESS (Include  
Facility Name/Location if different)  
NAME **BROWN MINING-NINVEN GOLD CORP.**  
ADDRESS **O. BOX 485**  
**DEADMOUND SD 57732**

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)  
DISCHARGE MONITORING REPORT (DMR)  
(2-16) (17-19)

**SD0026891**

PERMIT NUMBER

**002 A**

DISCHARGE NUMBER

MAJOR

Form Approved

OMB No. 2040-0004

F - FINAL ANY FLOW IN **WATER GULCH** (10-31-94)

FACILITY **Bilt Edge Mine**

LOCATION

MONITORING PERIOD

FROM YEAR **94** MO **10** DAY **01** TO YEAR **94** MO **10** DAY **31**  
(30-31) (22-23) (24-25) (26-27) (28-29) (30-31)

\*\*\* NO DISCHARGE \*\*\*

NOTE: Read instructions before completing this form.

PARAMETER (32-37)	<div></div>	(3 Cont Only) QUANTITY OR LOADING (45-53)			(4 Cont Only) QUALITY OR CONCENTRATION (54-61)			NO. EX. (62-63)	FREQUENCY OF ANALYSIS (64-68)	SAMPLE TYPE (69-70)	
		AVERAGE	MAXIMUM	UNITS	MINIMUM	AVERAGE	MAXIMUM				
CYANIDE, TOTAL (AS CN) 00720 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	*****	<10.0	(28)	0	3/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	*****	70				
				****			DAILY RX	UG/L			
HARDNESS, TOTAL (AS CaCO3) 00900 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	852.0	1391.0	(19)	0	5/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT				
				****		300A AVG	DAILY RX	MG/L			
ARSENIC, TOTAL RECOV ERABLE 00978 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	5.0	5.0	(28)	0	1/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT				
				****		300A AVG	DAILY RX	UG/L			
IRON TOTAL RECOVERABLE 00980 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	<50.0	<50.0	(28)	0	1/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT				
				****		300A AVG	DAILY RX	UG/L			
SELENIUM, TOTAL RECO VERABLE 00981 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****		<5.0	(28)	0	1/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	*****	8.75				
				****			DAILY RX	UG/L			
BERYLLIUM, TOTAL RECOVERABLE (AS BE) 0098 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	<1.0	<1.0	(28)	0	1/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT				
				****		300A AVG	DAILY RX	UG/L			
NICKEL TOTAL RECOVERABLE 01074 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	<5.0	<5.0	(28)	0	1/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	REPORT	REPORT				
				****		300A AVG	DAILY RX	UG/L			

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER

**Alan Bell, President & CEO**

TYPED OR PRINTED

I CERTIFY UNDER PENALTY OF LAW THAT I HAVE PERSONALLY EXAMINED AND AM FAMILIAR WITH THE INFORMATION SUBMITTED HEREIN AND BASED ON MY KNOWLEDGE OF THE INFORMATION, I BELIEVE THE SUBMITTED INFORMATION IS TRUE, ACCURATE AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT SEE 18 USC § 1001 AND 33 USC § 1319. I FURTHER CERTIFY THAT THE SIGNATURE OF THE PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT IS THE SIGNATURE OF THE PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT.

SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT

OFFICER OR AUTHORIZED AGENT

TELEPHONE

DATE

**605 578-2107**

**94 10 28**

AREA CODE

NUMBER

YEAR

MO

DAY

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all attachments here)

IF NO DISCHARGE OCCURS DURING THE REPORTING PERIOD, "NO DISCHARGE" SHALL BE REPORTED.

PERMITTEE NAME/ADDRESS (Facility Name/Location if different)  
**NAME** IRON MINING-BINYEN GOLD CORP.  
**ADDRESS** 0 BOX 485  
DEANMOOD SO 57232

NATIONAL POLLUTANT DISCHARGE ELIMINATION ACT (NPDES)  
**DISCHARGE MONITORING REPORT**  
 (2-16)  
**SD0026891**  
**PERMIT NUMBER**

**MONITORING PERIOD**  
 FROM YEAR 96 MO 10 DAY 01 TO YEAR 96 MO 31  
 (20-21) (22-23) (24-25) (26-27) (28-31)

**LOCATION** Gilt Edge Mine

PARAMETER (32-37)		(3 Cont Only) QUANTITY OR LOADING (46-53)			(4 Cont Only) (38-45)			LIMITS OF CONC (31-33)		REMARKS	DATE
		AVERAGE	MAXIMUM	UNITS	MINIMUM			AVERAGE	MAXIMUM		
SILVER		*****	*****		*****			<1.0	<1.0		
TOTAL RECOVERABLE	SAMPLE MEASUREMENT							REPORT			
01079 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****			1.0	1.0		
EFFLUENT GROSS VALUE				****							
CADMIUM		*****	*****		*****			22.0	44.0		
TOTAL RECOVERABLE	SAMPLE MEASUREMENT							7.50			
01094 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****			1.0	1.0		
EFFLUENT GROSS VALUE				****							
ALUMINUM		*****	*****		*****			24.0	44.0		
TOTAL RECOVERABLE	SAMPLE MEASUREMENT							REPORT			
01104 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****			1.0	1.0		
EFFLUENT GROSS VALUE				****							
CADMIUM		*****	*****		*****			5.5	22.0		
TOTAL RECOVERABLE	SAMPLE MEASUREMENT							5.0			
01113 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****			1.0	1.0		
EFFLUENT GROSS VALUE				****							
LEAD		*****	*****		*****			<1.0	<1.0		
TOTAL RECOVERABLE	SAMPLE MEASUREMENT							3.00			
01114 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****			1.0	1.0		
EFFLUENT GROSS VALUE				****							
CHROMIUM		*****	*****		*****			22.0	22.0		
TOTAL RECOVERABLE	SAMPLE MEASUREMENT							REPORT			
01118 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****			1.0	1.0		
EFFLUENT GROSS VALUE				****							
COPPER		*****	*****		*****			46.5	72.0		
TOTAL RECOVERABLE	SAMPLE MEASUREMENT							1.50			
01119 1 0 0	PERMIT REQUIREMENT	*****	*****	****	*****			1.0	1.0		
EFFLUENT GROSS VALUE				****							

NAME/TITLE PRINCIPAL RESPONSIBLE OFFICER  
**Alan Bell, President & CEO**  
 TYPED OR PRINTED

I CERTIFY UNDER PENALTY OF LAW THAT I HAVE PERSONALLY EXAMINED AND AM FAMILIAR WITH THE INFORMATION SUBMITTED HEREON AND BASED ON MY BELIEF OF THOSE INDIVIDUALS IMMEDIATELY RESPONSIBLE FOR OBTAINING THE INFORMATION I BELIEVE THE SUBMITTED INFORMATION IS TRUE ACCURATE AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT SEE 18 USC § 1001 AND 33 USC § 1319 (Penalty under these statutes may include fines up to \$10,000 and or maximum imprisonment of between 6 months and 5 years.)

SIGNATURE OF PRINCIPAL RESPONSIBLE OFFICER  
**Alan Bell**  
 DATE

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all attachments here)  
 IF NO DISCHARGE OCCURS DURING THE REPORTING PERIOD, "NO DISCHARGE" SHALL BE INDICATED

JAN 04 '95 16:08 UROHM MINING CO

P.008

JAN-04-1995 15:03

PERMITTEE NAME/ADDRESS (Loc 65)  
Facility Name/Location (if different)  
NAME **IRON MINE MINYEN GOLD CORP.**  
ADDRESS **Q BOX 685**  
**DEARMGOD** **SO 57732**

DISCHARGE MONITORING REPORT (DMR)  
(2-18) (17-19)

**SD0026891**

PERMIT NUMBER

**002 A**

DISCHARGE NUMBER

MAJOR

Form Approved

F - FINAL (OMB No. 2040-0004)  
ANY FLOW IN REPORTING PERIOD

FACILITY **Glit Edge Mine**

LOCATION

MONITORING PERIOD  
FROM YEAR **94** MO **10** DAY **01** TO YEAR **94** MO **10** DAY **31**  
(20-21) (22-23) (24-25) (26-27) (28-29) (30-31)

\*\*\* NO DISCHARGE \*\*\*

NOTE: Read instructions before completing this form.

PARAMETER (32-37)	<div></div>	(3 Card Only) QUANTITY OR LOADING (46-53)			(4 Card Only) QUALITY OR CONCENTRATION (38-45)				NO. EX (62-63)	FREQUENCY OF ANALYSIS (64-65)	SAMPLE TYPE (66-70)
		AVERAGE	MAXIMUM	UNITS	MINIMUM	AVERAGE	MAXIMUM	UNITS			
MANGANESE, TOTAL RECOVERABLE 11123 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	<50.0	<50.0	( 28)	0	1/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	*****	*****	UG/L			
FLOW IN CONDUIT OR TREATMENT PLANT 00050 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	0.02317	0.2016	( 03)	*****	*****	*****		0	31/31	Inst.
	PERMIT REQUIREMENT	*****	*****	****	*****	*****	*****	****			
MERCURY TOTAL RECOVERABLE 21901 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	<0.2	<0.2	( 28)	0	1/31	Grab
	PERMIT REQUIREMENT	*****	*****	****	*****	*****	*****	UG/L			
HYDROCARBONS, PETROLEUM 22140 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	*****		*****	*****	N/A	( 19)	0	1/7	NO- VIS
	PERMIT REQUIREMENT	*****	*****	****	*****	*****	*****	MG/L			
OIL AND GREASE VISUAL 34066 1 0 0 EFFLUENT GROSS VALUE	SAMPLE MEASUREMENT	*****	N/A	( 94)	*****	*****	*****		0	1/7	NO- VIS
	PERMIT REQUIREMENT	*****	*****	****	*****	*****	*****	****			
	SAMPLE MEASUREMENT										
	PERMIT REQUIREMENT										
	SAMPLE MEASUREMENT										
	PERMIT REQUIREMENT										

NAME/TITLE PRINCIPAL EXECUTIVE OFFICER

**Alan Bell, President & CEO**

TYPED OR PRINTED

I CERTIFY UNDER PENALTY OF LAW THAT I HAVE PERSONALLY EXAMINED AND AM FAMILIAR WITH THE INFORMATION SUBMITTED HEREIN AND BASED ON MY KNOWLEDGE OF THOSE INDIVIDUALS IMMEDIATELY RESPONSIBLE FOR OBTAINING THE INFORMATION, I BELIEVE THE SUBMITTED INFORMATION IS TRUE, ACCURATE AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION, INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT SEE 18 USC, § 1001 AND 33 USC, § 1319 (Penalties under these statutes may include fines up to \$10,000 and/or maximum imprisonment of between 6 months and 5 years.)

*Alan Bell*  
SIGNATURE OF PRINCIPAL EXECUTIVE  
OFFICER OR AUTHORIZED AGENT

TELEPHONE

DATE

605 578-2107

94 11 28

AREA  
CODE

NUMBER

YEAR

MO

DAY

COMMENT AND EXPLANATION OF ANY VIOLATIONS (Reference all attachments here)

IF NO DISCHARGE OCCURS DURING THE REPORTING PERIOD, "NO DISCHARGE" SHALL BE REPORTED.

**Pollution and Remediation Legal Liability/pollution Clean-up  
Application**

**Attachments - Item 17b**

**Summary of CSI Recommendations  
for  
Dakota Mining Corporation  
Gilt Edge Mine  
Deadwood, South Dakota**

To reduce the overall environmental risk potential associated with the Dakota Mining Corporation, Gilt Edge Mine facility, the following recommendations, with time frames for completion, are offered:

- 94-2-1 It is recommended that Dakota Mining Corporation notify the ECS Pollution Underwriter if construction of an interim treatment system will be required in Strawberry Creek at the Gilt Edge Mine, per United States Environmental Protection Agency, Region VIII Order on Consent, Docket No. OWA-VIII-93-36-G. (as applicable)
- 94-2-2 It is recommended that Dakota Mining Corporation notify the ECS Pollution Underwriter upon receipt of the permit(s) required to begin mining the Anchor Hill reserve at the Gilt Edge Mine. (as applicable)
- 94-2-3 It is recommended that the Dakota Mining Corporation properly dispose of laboratory furnace wastes currently being stored outside of the Gilt Edge Mine laboratory. (six months)



MAY 11 1994

May 9, 1994

Ms. Nilsa Cabrera  
Marsh & McLennan, Inc.  
2200 Ross Ave. Ste. 3400  
Texas Commerce Tower  
Dallas, TX 75201-7900

Dear Ms. Cabrera:

Brohm Mining Corporation has received a list of loss-prevention recommendations from ECS Underwriting, Inc. for our Pollution Policy No. NTD250951401/NTA250959301. The three recommendations require a response from BMC by June 1, 1994. Our response follows:

- 94-2-1: A decision to construct a treatment system in Strawberry Creek will not be made until final remediation of Strawberry Creek is completed later in 1994. At the time a decision is made, BMC will notify the ECS Pollution Underwriter.
- 94-2-2: The Anchor Hill reserve is not expected to be fully permitted for mining until mid-1995. The ECS Pollution Underwriter will be notified when the permits are complete.
- 94-2-3: BMC is currently negotiating with EPA approved laboratory furnace waste disposal sites for removal of our assay crucibles and cupels. When these materials are removed, the ECS Pollution Underwriter will be notified.

Should you have any additional questions, please feel free to notify us.

Sincerely,

A handwritten signature in cursive script, reading 'Dale A. Shay'.

Dale A. Shay  
Director Environmental Affairs

DS:sm

cc: Rod J. MacLeod, BMC  
J.C. Sowers, DMC

corresp05sec5.das

South Dakota Office: P.O. Box 485, Deadwood, South Dakota 57732  
Telephone: (605) 578-2107 Telecopier: (605) 578-1709

Brohm Mining Corp. is a wholly owned affiliate of



Minven Gold Corporation

RELIANCE NATIONAL INDEMNITY COMPANY  
MADISON, WISCONSIN

APPLICATION FOR POLLUTION LEGAL LIABILITY INSURANCE  
(Include 10K report, annual report, and flow chart of process if available.)

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY

1. NAMED INSURED (Include All Subsidiary Companies to be Covered):

Brohm Mining Corporation

CONTACT NAME: Dale Shay TITLE: Director of Environmental Affairs

EPA IDENTIFICATION NUMBER(S): N/A

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, S.D. 57732

TELEPHONE: ( 605 ) 578-2107

LOCATIONS TO BE COVERED: Gilt Edge Mine

2. NAMED INSURED IS:  
Partnership ☒ Corporation ☐ Joint Venture ☐ Other

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Since 1987

4. SALES:

A) ESTIMATED (Ensuing Year): 1995 \$4.5 million

B) LAST 5 YEARS: 19 94 \$1.0 million 19 93 \$3.7 million 19 92 \$9.4 million 19 91 \$11.1 million 19 90 \$12.7 million

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

Open pit heap leach gold and silver mine started in 1987. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

6. DESCRIBE THE FACILITY OPERATIONS, INCLUDING MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (Attach A Site Diagram Outlining Buildings, Storage Areas, Tanks, Etc.):

No waste treatment as disposal activities are applicable.

7. PLEASE LIST: A. RAW MATERIALS USED AT LOCATION: N/A  
 B. PROCESS MATERIALS USED AT LOCATION  
 (Plating agents, degreasers, heat treating agents, cleaning solvents, etc.):  
 (Please use additional sheet if space provided is insufficient.)

DESCRIPTION	QUANTITY OF MATERIAL			METHOD OF STORAGE	
	PER YEAR	ANY ONE TIME	DRUM	UNDERGROUND TANK	ABOVEGROUND TANK
B - See list attached					

8. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSENED OR INCREASED) THE RISK OF POLLUTION LIABILITY? YES ☒ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

9. DO YOU HAVE AN ENVIRONMENTAL SAFETY COMMITTEE OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL? X YES ☐ NO

IF SO, DESCRIBE THEIR DUTIES AND TO WHOM THEY REPORT: The Director of Environmental Affairs and his assistant report to the General Superintendent who has overall site responsibility for production, administrative and environmental matters.

10. ARE THERE ANY STATUTES, STANDARDS, OR OTHER CITY, STATE AND FEDERAL REGULATIONS RELATING TO THE PROTECTION OF THE ENVIRONMENT WHICH APPLY TO ANY LOCATION WITH WHICH YOU CANNOT AT PRESENT COMPLY? YES ☒ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

11. EFFLUENT TREATMENT AND DISCHARGE:

COMPOSITION	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS	QTY/YR
N/A				

12. SEMI-SOLID AND SOLID WASTE DISPOSAL:

A. ON-SITE DISPOSAL (Landfill, Surface Impoundment, Deepwell Injection, Etc.)

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
N/A			

FOR LANDFILLS OR SURFACE IMPOUNDMENTS, INDICATE SIZE, TYPE OF LINER, ANY MONITORING WELLS, LEACHATE COLLECTION.

B. OFF-SITE DISPOSAL

<u>COMPOSITION</u>	<u>ON-SITE STORAGE METHOD</u>	<u>LENGTH OF STORAGE</u>	<u>QTY/YR</u>	<u>DISPOSAL FACILITY</u>
<u>N/A</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

13. TRANSPORTER INFORMATION:

	<u>1</u>	<u>2</u>	<u>3</u>
NAME OF WASTE HAULER	<u>N/A</u>	<u></u>	<u></u>
EPA ID #	<u></u>	<u></u>	<u></u>
STATE ID #	<u></u>	<u></u>	<u></u>

14. AIR EMISSIONS:

NATURE:

COMPOSITION:

TOXIC GASES & VAPORS	<u>N/A</u>
IRRITANT GASES	<u>N/A</u>
MALODOROUS GASES & VAPORS	<u>N/A</u>
ASPHYXIANTS	<u>N/A</u>
AEROSOLS	<u>N/A</u>
DUST & ASH	<u>N/A</u>
VOLUME PER YEAR (WHERE KNOWN)	<u>N/A</u>

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS:

N/A

15. THE LOCATION'S SURROUNDING ENVIRONMENT:

A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE COVERED:

Blackhills National Forest and Associated Forest Plant Community

B. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES:

Homestake Mining Company (the oldest gold mine in North America) is located approximately 3 miles to the North West.

16. ADDITIONAL INFORMATION: (SEE INFORMATION PREVIOUSLY SUBMITTED)

- A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.
- B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS, TYPE OF INVENTORY CONTROL, TESTING METHODS.

17. RECORD:

- A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR INTO LAND?        YES   X   NO

IF YES, GIVE DETAILS: \_\_\_\_\_

\_\_\_\_\_

- B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY?        YES   X   NO

IF YES, GIVE DETAILS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\*NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corporation

By: J.C. Sowers, III (Title) Treasurer Date: 12/28/94

Agent/Broker: Marsh & McLennan, Incorporated

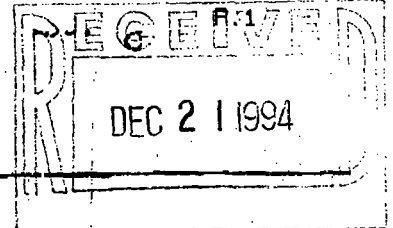
Address: 1050 17th Street, Suite 900

Denver, Colorado 80265

**7B-LIST OF PROCESS MATERIALS USED AT GILT EDGE**

<u>Description</u>	<u>Per Year</u>	<u>Method of Any One Time</u>	<u>Storage</u>
Borax	23,400#	450# per week	Bag
Sodium Nitrate	4,680#	90# per week	Bag
Soda Ash	4,680#	90# per week	Bag
D.E.	60,800#	39# per week	Bags
L. P. Gas	36,365 gal.	-	Above
Zinc	72,800#	1,400# per week	Cans
Sulfuric Acid	50 gal.	-	glass container/drum
Lime		(Crusher is down)	
Caustic	(5) 55 gal. Drum per year		
Sodium Cyanide	312,000#	6,000# per week	Flow Bins
Peroxide		500,000#/1 lb./ton of ore	
Descalent	10,800 gallons per year		
Fluorospars	4,680#	450# per week	Bag
Lead Nitrate	1,500#	4# per day	Drums

Date - this is for me



## 1) DETAILS OF THE INSURED

Name of Applicant: Brohm Mining Corp.Mailing Address: P. O. Box 405, Deadwood, SD 57732Contact Name: Dale Slay, Director of Environmental AffairsTelephone Number: (605) 578-2107

## 2) COVERAGE REQUESTED:

Policy Term:

X 1 year        2 years        3 years

Limits of Liability:

\$ 20 Per Loss or Remediation Expense (\$15 million maximum)\$ 20 Aggregate (\$30 million maximum)

Prospective Additional Insured (if any)

Name: \_\_\_\_\_

Post-It™ brand fax transmittal memo 7871

# of pages 5

To <u>JC</u>	From <u>Dale S-</u>
Co. _____	Co. _____
Dept. _____	Phone # _____
Fax # _____	Fax # _____

## 3) NAMED INSURED IS:

       Partnership X Corporation        Joint Venture        Other       

## 4) REVENUES:

Estimated (Ensuing Year): 19 95 : \$ 4.5 millionLast Two Years: 19 94 : \$ 1.0 million 19 93 : \$ 37 million

## 5) Describe environmental risk management controls used prior to acquiring property or making loans. Include firms approved to perform environmental site assessments (attach copies of any environmental risk management procedures):

Prior to acquiring property risk assessments were apparently not conducted. Current risk assessments have been made by insurance carriers.

## 6) PROPERTY DESCRIPTION:

Proposed Location:

Name: Gilt Edge mineAddress: 6 miles south of Deadwood, SD off highway 385.Date? 7) Total acreage of this property: TOTAL PERMITTED = 906 TOTAL AFFECTED = 195

Date? 8) What structures are currently on this property (i.e. type of building, square footage, age, etc.)? MAIN OFFICE  
BUILDING: 4928 FT<sup>2</sup>; LABORATORY - 3200 FT<sup>2</sup>; PROCESS PLANT - 9600 FT<sup>2</sup>;  
R.O. BUILDING 1500 FT<sup>2</sup>; CONTRACTOR SHOP 2400 FT<sup>2</sup>  
CRU. MR. BLD 960 FT<sup>2</sup> R.O. (NEW) ALL OTHERS 6 yrs.  
Neutralization Bldg 1080 FT<sup>2</sup> FIRE BLDG. 450 FT<sup>2</sup>  
 9) List the current occupants of this property: Brohm Mining Corp. ORO FINE BLDG. 1500 FT<sup>2</sup>

10) How long has present owner controlled or owned this property? Since 1987

Date? 11) Briefly describe current operations conducted at the site: Open pit heap leach gold and  
silver mine. Start up in 1987. Gold and Silver Recovery  
by Merrill-Crowe system. Historic underground  
mining and associated milling from late 1800's to 1940's.

Date? 12) Does this property generate, handle, store or dispose of any hazardous waste or materials? X Yes      No  
 If Yes, please provide the following details: Laboratory waste, centrifuge tubes, etc.

a. Describe the on-site storage practices and storage areas: Laboratory streams are  
disposed according to RCRA stds. Centrifuge tubes stored  
in RCRA approved drums. CN stored in RCRA and DOT approved  
containers off site.

b. Describe the disposal methods used: At the present time, there are no plans for  
disposal of these wastes, however should disposal be required,  
RCRA standards would be followed.

DATE

c. Describe the waste treatment practices used: <sup>except CN,</sup> Currently, wastes are not treated on-site. See a. and b. above for waste handling procedures. CN is treated using a Reverse Osmosis system.

DATE

d. Identify effluent discharge points for wastewater and stormwater (attach discharge monitoring results): B.M.C. has an approved NPDES permit. Compliance points (2) are located in Ruby Gulch and Strawberry Creek. Recent discharge results are attached.

13) Does this property presently have any aboveground or underground storage tanks?

X Yes      No

If Yes, please provide the following information:

a. Tank Storage (attach additional table if necessary):

DATE 7

Tank No.	Construction Material	Capacity	Age	AST or UST	Secondary Containment
N/A	<del>Hyd. Peroxide</del>	8,000 gal	N/A	AST	None
1 & 2	<del>Hydrogen Peroxide</del>	10,000 gal	3 yrs	AST	None
3 & 4	Liquid Propane	10-12,000 gal	N/A	AST	None
N/A	Diesel	10,000 gal	N/A	AST	Diked
N/A	Gasoline	1,000 gal	N/A	AST	Diked
N/A	Carbon Dioxide	8,000 gal	N/A	AST	None

b. Explain any tank inventory control and/or testing methods used: All tanks are

DATE

above ground in contained and lined areas. They are inspected visually for leaks. Inventory is controlled by the site lead maintenance person. Currently, inventory is always low due to site slow down.

14) What were the past uses of this property? <sup>Since 1987,</sup> Start-up of an open-pit heap leach gold and silver mine. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

15) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

16) PROPERTY SETTING

a. Provide a description of adjacent properties (North, East, South and West): The property is generally surrounded on all sides by the U.S. Forest Service. Brown owns or controls the remaining permit area adjacent areas.

b. Identify nearby surface water bodies (i.e. streams, lakes, wetlands): Two streams, Ruby Creek and Strawberry Creek originate on the site and flow to Bear Butte Creek (Perennial) approx. 1.5 miles from the site. Both streams are intermittent on the site. No other streams, lakes, or wetlands exist on-site.

c. Are there any protected environments in the area (parks, wildlife preserves, etc.)? Yes ☒ No

If Yes, please describe: \_\_\_\_\_

d. Identify any surface or groundwater uses in the area (drinking wells, etc.): No domestic or commercial uses within 1 mile of the mine property boundaries.

e. Is public water and sewer available? Yes ☒ No

17) a. Have any prior environmental audits been done for this property within the past two years? ☒ Yes No

If Yes, please attach copies as available. Environmental audits conducted by insurance firm. Unavailable to BMC.

b. Were any recommendations made or was any action plan concerning environmental issues suggested?

☒ Yes No If Yes, please provide full details as to the recommendations and the status of compliance.

Recommendations are attached.

## 18) RECORD:

- a. Have you during the last five (5) years been prosecuted for contravention or violation of any standard or law relating to the release from the location(s) of a substance into sewers, rivers, air or onto land? X Yes      No

*Done?*  
If Yes, give details: Not received from SO-DENR for the accidental spill of oil in 1989, Not from SO-DENR for release of acid mine drainage in 1993.

- b. Please describe any pollution claims during the last five (5) years (if none, please so state): None

- Done?*  
c. At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy?      Yes X No

If Yes, give details: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

## \*NOTICE TO NEW YORK APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: J.C. Sowers, Jr Title: Treasurer

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Agent/Broker Name: Marsh & McLennan, Incorporated

Agency Name and Address: 1050 17th St, Suite 900  
Denver, CO 80265

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

Marsh & McLennan, Incorporated  
Independence Plaza  
1050 Seventeenth Street, Suite 900  
Denver, Colorado 80265  
Telephone 303 628 9111  
Fax 303 628 1822

NOV 14 1994

November 10, 1994

MARSH &  
MCLENNAN

Mr. J.C. Sowers  
DAKOTA MINING CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: RENEWAL  
POLLUTION LEGAL LIABILITY  
POLLUTION & REMEDIATION LEGAL LIABILITY/POLLUTION CLEAN UP

Dear J.C.:

Dakota Mining Corporation's Pollution Legal Liability and Pollution & Remediation Legal Liability/Pollution Clean Up policies expire on January 18, 1995. As a result, we are requesting renewal information which consists of the following:

- Completed renewal applications. A copy of last year's applications are attached.
- Updated financial information from the past year.

This year, we would like to market these coverages to various insurance companies for competitive quotations. Therefore, we would like to receive the renewal information in our office by **December 1, 1994**.

If you have any questions when completing these applications, please feel free to contact us.

Sincerely,



Shanan Monroe  
Client Representative

SLM/ci  
Enclosure

cc: Andrea J.S. Schroeder - MMI, Denver

PLANET INSURANCE COMPANY

Sun Prairie, Wisconsin

APPLICATION FOR POLLUTION CLEAN-UP COVERAGE

(Include 10K report, annual report, and flow chart of process if available.)

This is an application for a CLAIMS MADE Policy

1) NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

Brohm Mining Corporation

EPA IDENTIFICATION NUMBER(S): N/A

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, S.D. 57732

LOCATIONS TO BE COVERED: Gilt Edge Mine

2) NAMED INSURED IS:

\_\_\_\_ Partnership X Corporation \_\_\_\_ Joint Venture \_\_\_\_ Other \_\_\_\_

3) HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Since 1987

4) SALES:

A) ESTIMATED (Ensuing Year): 9,000 Ounces of Gold

B) LAST 5 YEARS:	19 <u>92</u>	19 <u>91</u>	19 <u>90</u>	19 <u>89</u>	19 <u>88</u>
Ounces of Gold	26,838	30,302	33,133	17,160	6,660

5) COMPANY PROFILE AND ENVIRONMENTAL AFFAIRS MANAGEMENT

- A) Outline the site history including any previous uses of the site and by whom: Open pit heap leach gold and silver mine. Start up in 1987.

Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

- B) Briefly describe the operations conducted at the facility, including raw materials and by-products: Ore/waste rock is produced from mine by surface mining method. Waste rock is delivered to modified valley-fill repository. Ore is crushed to 1" size and carried to triple-lined (clay, fml, fml) leach pad. A diluted cyanide solution is applied to ore. Dilute cyanide solution is piped to plant where gold/silver is recovered.

- C) Give details on any claims or lawsuits against the company, including outcome when applicable: The Technical Information Project of Rapid City, S.D. filed suit against Brohm in 1992 over a traditional NPDES permit. The suit was settled in August 1993 wherein Brohm agreed to pay TIP \$25,000 to cover its legal costs.

- D) Describe the Management Organization and identify those managers with environmental responsibility (attach organization chart if available):

See Attached Organization Chart

E) Briefly describe any employee training classes held: Employees trained in accordance with 30CFR part 48. Additional training on an "as needed" basis conducted. Separate and unique one time training by vendors (DuPont, DeGussa, etc.)

F) Describe the company's interaction with local, state, and federal authorities: Company official is member of the County LEPC which has recently updated its emergency planning in accordance with "Sarah Title III". Company reports regularly to the County Planning and Zoning administration. Company officials work closely with South Dakota DENR on nearly a daily basis. Other than MSHA, company dealings with Federal agencies is on a sporadic basis. Company officials also work with the EPA thru NPDES and the U.S. Forest Service on permit applications

6) OVERALL FACILITY OPERATIONS

A) Provide a description of the site, including adjacent properties and target populations (attach site plan) See attached site plan. Attachment III

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

B) Identify nearby water sources, both surface and groundwater: \_\_\_\_\_

See attached site plan. Attachment III

\_\_\_\_\_

\_\_\_\_\_

C) Are there any protected environments in the area (parks, wildlife preserves, etc.)?      yes   X   no

If yes, please describe: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

D) Briefly describe the geology and hydrogeology of the area: \_\_\_\_\_

See Attachment II

E) Identify any surface or groundwater uses in the area (drinking wells, etc.):

No domestic or commercial uses within 1 mile of property boundaries.

F) Is public water and sewer available? \_\_\_\_ yes X no

G) Outline the security measures at the facility, describe the facility access points, security system, posted areas: Facility is accessed via private access road through main gate located at Administration building operated by remote controllers. Access to property is through ancillary routes controlled by fences/locked gates. Ancillary access is primarily by abandoned logging trails. Facility product is under constant video, IR and motion detector type electronic surveillance. Security system is monitored at a remote central monitoring location.

H) List the safety programs presently in place: Employee training is in compliance with 30CFR part 48, additional training on "as-needed" basis supplied in-house or by applicable vendors i.e. DuPont, DeGussa, etc. An employee safety incentive program is in place but is currently inactive.

I) Describe the fire safety systems in place: Portable fire extinguishers are located throughout facility as per regulatory requirements. Plant has dedicated fire-fighting system (standardized hoses, fittings and piping compatible with local fire department(s)). Also in place are dedicated fire suppression pumps, back up electrical system and 60,000 gallon water storage in accordance with local zoning ordinances and NFPA recommendations.

J) Outline the emergency procedures used at the facility: A spill contingency plan is in place updated yearly, facility personnel involved in LEPC. South Dakota Mining Association sponsors a Technical Advisory Committee.

7) SOLID AND HAZARDOUS WASTE MANAGEMENT

A) Outline the sources of solid and hazardous waste: All liquid laboratory wastes are disposed of according to RCRA Standards. For a period of time, certain laboratory wastes (Centrifuge tubes) were not disposed or recycled. These wastes are stored in sealed heavy plastic drum liners inside sealed drums. As the work load lightened up in the laboratory, there has been time available to clean and reuse the centrifuge tubes. At the present time, there are no plans for disposal of these wastes, however should disposal be required, RCRA Standard would be followed.

B) Describe the storage practices used: See A) above.

C) Describe the disposal methods used: \_\_\_\_\_

D) Is there a manifest system in place (include a recent copy)? \_\_\_\_ yes X no

E) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

F) Is there a wastewater treatment unit on site? \_\_\_\_ yes X no

If yes, identify:

1) What type of treatment? \_\_\_\_\_

2) Quantity per year \_\_\_\_\_

3) Discharge points for treated wastewater \_\_\_\_\_

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If yes, identify:

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If yes, identify:

\_\_\_\_\_

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4) Inventory control (permitted amount): **No permitted limits.**

B) Tank Storage: See Attachment I and V

<u>Tank No.</u>	<u>Material</u>	<u>Capacity</u>	<u>Age</u>	<u>A/G or U/G</u>	<u>Diked</u>
_____	<u>Hydrogen</u>	<u>8,000 gal.</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>1 &amp; 2</u>	<u>Peroxide</u>	<u>10,000 gal.</u>	<u>3 yrs.</u>	<u>A/G</u>	<u>No</u>
<u>3 &amp; 4</u>	<u>Liquid Propane</u>	<u>10-12,000 gal.</u>	<u>(unknown)</u>	<u>A/G</u>	<u>No</u>
	<u>Diesel</u>	<u>10,000 gal.</u>	<u>(unknown)</u>	<u>A/G</u>	<u>Yes</u>
	<u>Gasoline</u>	<u>1,000 gal.</u>	<u>(unknown)</u>	<u>A/G</u>	<u>Yes</u>
	<u>Carbon Dioxide</u>	<u>8,000 gal</u>	<u>(unknown)</u>	<u>A/G</u>	<u>No</u>

C) Have any underground tanks or underground piping ever been present at the site? X yes \_\_\_\_\_ no

If yes, please explain: Pipes between process plant and surge pond and buried water and gas lines, ceptic tanks

D) Is a spill plan approved and on file (attach copy)? X yes \_\_\_\_\_ no

(See Attachment V)

9) OTHER CONCERNS

A) Is there any asbestos located anywhere on the site? \_\_\_\_\_ yes X no

If yes, identify: \_\_\_\_\_  
\_\_\_\_\_

B) Is there any PCB contaminated material anywhere on the site? \_\_\_\_\_ yes X no

If yes, identify: \_\_\_\_\_  
\_\_\_\_\_

10) ADDITIONAL INFORMATION

A) Please attach the latest monitoring results for facility effluent discharges, air emissions, landfills, or surface impoundments, including any groundwater data available. See Attachments VI, VII

B) Please attach a schedule of all storage tanks including the following information: capacity, age, above or below ground, spill containment methods, contents, steel or fiberglass, type of inventory control, testing methods. See Attachment I

11) RECORD

- A) Have you during the last 5 years been prosecuted for contravention of any standard or law relating to the release from the location of a substance into sewers, rivers, air or onto land? \_\_\_\_ yes X no (Settled without going to court

If yes, give details: \_\_\_\_\_

\_\_\_\_\_

- B) Please describe any pollution claims during the last 5 years (if none, please so state): None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- C) At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy?

\_\_\_\_ yes X no

If yes, give details: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\* NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corp.

By: J.C. Sowers, III (Title) Date: JANUARY 5, 1994

Agent/Broker: Marsh McLennan, Inc.

Address: 1700 Lincoln, Suite 4900 Denver, CO 80203

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

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**LIET INSURANCE COMPANY**  
**MADISON, WISCONSIN**

**APPLICATION FOR POLLUTION LEGAL LIABILITY INSURANCE**  
(Include 10K report, annual report, and flow chart of process if available.)

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY

1. NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

**Brohm Mining Corporation**

CONTACT NAME: **Dale Shay** TITLE: **Director of Environmental Affairs**

EPA IDENTIFICATION NUMBER(S): **N/A**

POST OFFICE ADDRESS: **P.O. Box 485, Deadwood, S.D. 57732**

TELEPHONE: ( **605** ) **578-2107**

LOCATIONS TO BE COVERED: **Gilt Edge Mine**

2. NAMED INSURED IS:  
\_\_\_\_ Partnership ☒ Corporation \_\_\_\_ Joint Venture \_\_\_\_ Other \_\_\_\_\_

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? **Since 1987**

4. SALES:

A) ESTIMATED (Ensuing Year): **9,000 ounces of gold**

B) LAST 5 YEARS: 19 **92** 19 **91** 19 **90** 19 **89** 19 **88**  
**Ounces of gold** **26,838** **30,302** **33,133** **17,160** **6,660**

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

**Open pit heap leach gold and silver mine started in 1987. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.**

6. DESCRIBE THE FACILITY OPERATIONS, INCLUDING MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (ATTACH A SITE DIAGRAM OUTLINING BUILDINGS, STORAGE AREAS, TANKS, ETC.): \_\_\_\_\_

**No waste treatment as disposal activities are applicable.**

7. PLEASE LIST: A. RAW MATERIALS USED AT LOCATION N/A  
 B. PROCESS MATERIALS USED AT LOCATION:  
 (Plating agents, degreasers, heat treating agents, cleaning solvents, etc.)  
 (Please use additional sheet if space provided is insufficient.)

DESCRIPTION	QUANTITY OF MATERIAL			METHOD OF STORAGE	
	PER YEAR	ANY ONE TIME	DRUM	UNDERGROUND TANK	ABOVEGROUND TANK
<u>B - See list attached</u>					

8. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSENERD OR INCREASED) THE RISK OF POLLUTION LIABILITY? \_\_\_ YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

9. DO YOU HAVE AN ENVIRONMENTAL SAFETY COMMITTEE OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL? X YES \_\_\_ NO

IF SO, DESCRIBE THEIR DUTIES AND TO WHOM THEY REPORT: The Director of Environmental Affairs and his assistant report to the General Superintendent who has overall site responsibility for production, administrative and environmental matters.

10. ARE THERE ANY STATUTES, STANDARDS, OR OTHER CITY, STATE AND FEDERAL REGULATIONS RELATING TO THE PROTECTION OF THE ENVIRONMENT WHICH APPLY TO ANY LOCATION WITH WHICH YOU CANNOT AT PRESENT COMPLY? \_\_\_ YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11. EFFLUENT TREATMENT AND DISCHARGE:

COMPOSITION	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS	QTY/YR
	<u>N/A</u>			

12. SEMI-SOLID AND SOLID WASTE DISPOSAL:

A. ON-SITE DISPOSAL (LANDFILL, SURFACE IMPOUNDMENT, DEEPWELL INJECTION, ETC.)

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
	<u>N/A</u>		

FOR LANDFILLS OR SURFACE IMPIDMENTS, INDICATE SIZE, TYPE OF R, ANY MONITORING WELLS, LEACHATE COLLECTION.

B. OFF-SITE DISPOSAL

<u>COMPOSITION</u>	<u>ON-SITE STORAGE METHOD</u>	<u>LENGTH OF STORAGE</u>	<u>QTY/YR</u>	<u>DISPOSAL FACILITY</u>
	<b>N/A</b>			

13. TRANSPORTER INFORMATION:

	<u>1</u>	<u>2</u>	<u>3</u>
NAME OF WASTE HAULER	<b>N/A</b>		
EPA ID #			
STATE ID #			

14. AIR EMISSIONS:

NATURE:

COMPOSITION:

TOXIC GASES & VAPORS	<b>N/A</b>	
IRRITANT GASES	<b>N/A</b>	
MALODOROUS GASES & VAPORS	<b>N/A</b>	
ASPHYXIANTS	<b>N/A</b>	
AEROSOLS	<b>N/A</b>	
DUST & ASH	<b>N/A</b>	
VOLUME PER YEAR (WHERE KNOWN):	<b>N/A</b>	

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS:

**N/A**

15. THE LOCATION'S SURROUNDING ENVIRONMENT:

A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE COVERED:

**Blackhills National Forest and Associated Forest Plant Community**

B. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES: **Homestake Mining Company (the oldest gold mine in North America) is located approximately 3 miles to the North West.**

16. ADDITIONAL INFORMATION:

(SEE INFORMATION PREVIOUSLY SUBMITTED)

- A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.
- B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS, TYPE OF INVENTORY CONTROL, TESTING METHODS.

17. RECORD:

- A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR INTO LAND? ☐ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

- B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

None

- C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY? ☐ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\*NOTICE TO NY APPLICANTS:

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Applicant: Brohm Mining Corporation

By: J. C. Sowers, III (Title) Treasurer

Date: January 4, 1994

Agent/Broker: Marsh McLennan

Address: 1700 Lincoln, Suite 4900, Denver, CO 80203

IF AN ORDER IS RECEIVED, THE APPLICATION IS ATTACHED TO THE POLICY SO IT IS NECESSARY THAT ALL QUESTIONS BE ANSWERED IN DETAIL.

Lamar Andrews w/ Van American  
Birmingham, Alabama

1-800-755-7647 SMIS Agency  
Jimmy owns this agency, too

Dale - this is for the pollution coverage renewal

1) DETAILS OF THE INSURED

Name of Applicant: Brohm Mining Corp.

Mailing Address: P.O. Box 485, Deadwood, SD 57732

Contact Name: Dale Shary, Director of Environmental Affairs

Telephone Number: (605) 578-2107

2) COVERAGE REQUESTED:

Policy Term:

X 1 year           2 years           3 years

Limits of Liability:

\$        Per Loss or Remediation Expense (\$15 million maximum)

\$        Aggregate (\$30 million maximum)

Prospective Additional Insured (if any)

Name:       

3) NAMED INSURED IS:

       Partnership    X Corporation           Joint Venture           Other

4) REVENUES:

Estimated (Ensuing Year): 19 95 : \$ 4.5 million

Last Two Years: 19 94 : \$ 1.0 million    19 93 : \$ 3.7 million

5) Describe environmental risk management controls used prior to acquiring property or making loans. Include firms approved to perform environmental site assessments (attach copies of any environmental risk management procedures):

6) PROPERTY DESCRIPTION:

Proposed Location:

Name: Gilt Edge mine

Address: 6 miles south of Deadwood, SD off highway 385.

*Date?* 7) Total acreage of this property: \_\_\_\_\_

*Date?* 8) What structures are currently on this property (i.e. type of building, square footage, age, etc.)? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9) List the current occupants of this property: Brohm Mining Corp.  
\_\_\_\_\_  
\_\_\_\_\_

10) How long has present owner controlled or owned this property? since 1987

*Date?* 11) Briefly describe current operations conducted at the site: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Date?* 12) Does this property generate, handle, store or dispose of any hazardous waste or materials? ☒ Yes ☐ No  
If Yes, please provide the following details.

*Date?* a. Describe the on-site storage practices and storage areas: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Describe the disposal methods used: At the present time, there are no plans for disposal of these wastes, however should disposal be required, RCRA standards would be followed.

c. Describe the waste treatment practices used: \_\_\_\_\_

DATE

d. Identify effluent discharge points for wastewater and stormwater (attach discharge monitoring results): \_\_\_\_\_

DATE

13) Does this property presently have any aboveground or underground storage tanks? \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, please provide the following information:

a. Tank Storage (attach additional table if necessary):

DATE ? 2

Tank No.	Construction Material	Capacity	Age	AST or UST	Secondary Containment
N/A	Hydrogen	8,000 gal	N/A	AST	None
1 & 2	Peroxide	10,000 gal	3 yrs	AST	None
3 & 4	Liquid Propane	10-12,000 gal	N/A	AST	None
N/A	Diesel	10,000 gal	N/A	AST	Diked
N/A	Gasoline	1,000 gal	N/A	AST	Diked
N/A	Carbon Dioxide	8,000 gal	N/A	AST	None

b. Explain any tank inventory control and/or testing methods used: \_\_\_\_\_

DATE

14) What were the past uses of this property? Since 1987,  
start up of an open-pit heap leach gold and silver mine. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

15) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

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16) PROPERTY SETTING

a. Provide a description of adjacent properties (North, East, South and West):

DALE

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b. Identify nearby surface water bodies (i.e. streams, lakes, wetlands):

DALE

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c. Are there any protected environments in the area (parks, wildlife preserves, etc.)? ☐ Yes ☒ No

If Yes, please describe:

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d. Identify any surface or groundwater uses in the area (drinking wells, etc.): No domestic or commercial uses within 1 mile of the mine property boundaries.

e. Is public water and sewer available? ☐ Yes ☒ No

17) a. Have any prior environmental audits been done for this property within the past two years? ☐ Yes ☐ No

If Yes, please attach copies as available.

b. Were any recommendations made or was any action plan concerning environmental issues suggested?

☐ Yes ☐ No If Yes, please provide full details as to the recommendations and the status of compliance.

DALE

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18) RECORD:

- a. Have you during the last five (5) years been prosecuted for contravention or violation of any standard or law relating to the release from the location(s) of a substance into sewers, rivers, air or onto land? ☐ Yes ☐ No

*Date?*  
If Yes, give details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- b. Please describe any pollution claims during the last five (5) years (if none, please so state): None

*Date?*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- c. At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy? ☐ Yes ☒ No

*Date?*  
If Yes, give details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

**\*NOTICE TO NEW YORK APPLICANTS:**

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Applicant: J. C. Sowers, Jr. Title: Treasurer

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Agent/Broker Name: Marsh & McLennan, Incorporated

Agency Name and Address: 1050 17th St., Suite 900  
Denver, CO 80265

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

2 Riverchase Office Plaza  
Suite 208  
Birmingham, AL 35244

# SMIS

INCORPORATED

(205) 985-7511  
Fax (205) 403-0761

November 30, 1994

Mr. J.C. Sowers  
Dakota Mining Company  
410 17th St., Suite 22450  
Denver, CO 80202

Dear Mr. Sowers:

After our conversation last week I had a chance to talk with Jimmy Godfrey. Jimmy told me that the two of you are presently exploring alternatives for "Financial Assurances". Jimmy mentioned that he had also talked with you about the possibility of providing you with alternative quotations for your Pollution Liability coverage that is coming up for renewal shortly.

Enclosed is an application which will enable us to provide you with an alternative quotation. I understand that your coverage is presently provided through Reliance and you are presently paying in the neighborhood of \$55,000 for this delicate coverage. I want to reiterate that if we can not improve your present position, we will be the first to recommend that you remain with your present carrier.

I look forward to talking with you again in the next few days.

Sincerely,



Lamar Andrews  
SMIS Incorporated

CC: James H. Godfrey



# AMERICAN INTERNATIONAL COMPANIES

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Name of Insurance Company to which Application is made (herein called the Company)

## POLLUTION LEGAL LIABILITY APPLICATION

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY.

**NOTICE: THE POLICY PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR CLEANUP COSTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.**

### INSTRUCTIONS

A. This application applies to a single location. The applicant is responsible for obtaining and reviewing whatever records are available, whether in their possession or in the public domain, which are necessary in order to answer any of the questions in this application.

B. Provide the following documents and materials along with the completed application:

- \* Audited financials and 10K for the latest three years.  
{ } enclosed      { } information to follow      { } Do not exist
- \* Copy of spill or emergency contingency plans.  
{ } enclosed      { } information to follow      { } Does not exist
- \* Plant map/plot plan indicating location of any monitoring wells and nearest residents.  
{ } enclosed      { } information to follow      { } Does not exist
- \* Aerial and ground level photographs of the location.  
{ } enclosed      { } information to follow      { } Do not exist
- \* Last four sampling periods of monitoring results for the facility's effluent discharges, air emissions, test wells, injection wells or surface impoundments.  
{ } enclosed      { } information to follow      { } Do not exist
- \* Copy of the facility's current NPDES permit and air permit.  
{ } enclosed      { } information to follow      { } Does not exist
- \* Schedule of EIL and GL insurance policies for the past ten years.  
(policy #, policy term and type of policy)

C. Use additional sheets if necessary in order to provide the requested information.

1. NAMED INSURED: \_\_\_\_\_

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LIST SUBSIDIARY COMPANIES REQUESTING COVERAGE: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

POST OFFICE ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

POST OFFICE ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

LOCATION TO BE COVERED: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EPA ID # \_\_\_\_\_

NAME, TITLE & TELEPHONE NUMBER OF CONTACT PERSON: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. NAMED INSURED IS:  
{ } partnership { } corporation { } joint venture { } Other \_\_\_\_\_

3. SALES: (attach audited financials for the past three years)

A) ESTIMATED (Ensuing Year): \_\_\_\_\_

B) LAST FIVE YEARS    19\_\_\_\_    19\_\_\_\_    19\_\_\_\_    19\_\_\_\_    19\_\_\_\_  
                             \$\_\_\_\_    \$\_\_\_\_    \$\_\_\_\_    \$\_\_\_\_    \$\_\_\_\_

4. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS AT THIS LOCATION?

\_\_\_\_\_

5. DESCRIBE THE ACTIVITIES AT THIS LOCATION:  
(include information on manufacturing or production processes, waste treatment and/or disposal activities, also list & describe any other companies which have offices or operations or lease space at this location)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. DESCRIBE THE PAST HISTORY OF THE SITE. INCLUDE NAMES OF FORMER OWNERS WITH DATES OF OWNERSHIP, PROCESSES USED AND PRODUCTS MANUFACTURED.

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7. DOES THE LOCATION HAVE ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS?  
YES \_\_\_\_\_ NO \_\_\_\_\_  
IF YES, DESCRIBE: \_\_\_\_\_

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8. THE LOCATION'S SURROUNDING ENVIRONMENT:

- A. DESCRIBE THE NATURE OF THE LAND USE IN THE IMMEDIATE VICINITY OF THE LOCATION

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- B. NAME AND TYPE OF BUSINESS OF INDUSTRIES LOCATED IN THE GENERAL AREA OF THE LOCATION? \_\_\_\_\_

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- C. NAME, POPULATION OF AND DISTANCE TO THE NEAREST TOWN AND/OR CITY? \_\_\_\_\_

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- D. DISTANCE TO THE NEAREST RESIDENTS? (PLEASE INDICATE ON PLOT PLAN)

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9. A) PLEASE LIST THE RAW & PROCESS MATERIALS USED AT THIS LOCATION: (Plating agents, degreasers, cleaning solvents, etc.) (use additional sheets if necessary)

description of material	quantity of material		method of storage (under/aboveground tanks or drums)
	used per year	any one time	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

10. EFFLUENT TREATMENT AND DISCHARGE: { } DOES NOT APPLY  
(Please attach copy of discharge permit)

COMPOSITION	QTY/DAY	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

11. WHAT IS THE APPROXIMATE DEPTH TO GROUNDWATER? \_\_\_\_\_  
DISTANCE TO SURFACE WATER? \_\_\_\_\_ DISTANCE TO THE  
NEAREST DRINKING WATER SOURCE? \_\_\_\_\_

12. ON-SITE SOLID WASTE DISPOSAL (PAST & PRESENT):

**LANDFILL & IMPOUNDMENTS**

{ } DOES NOT APPLY

YEAR CONSTRUCTED \_\_\_\_\_  
TYPE OF LINER \_\_\_\_\_  
NUMBER OF MONITORING WELLS (ATTACH DIAGRAM OF LOCATIONS) \_\_\_\_\_  
FREQUENCY OF MONITORING (ATTACH 4 SAMPLING PERIODS) \_\_\_\_\_  
DESCRIPTION OF LEACHATE COLLECTION SYSTEM \_\_\_\_\_  
METHANE GAS COLLECTION SYSTEM: Y \_\_\_\_\_ N \_\_\_\_\_  
COMPOSITION OF WASTE AND ESTIMATED QUANTITIES \_\_\_\_\_

**DEEPWELL INJECTION**

{ } DOES NOT APPLY

PROVIDE THE LATEST MECHANICAL INTEGRITY TEST RESULTS  
IS ANNULUS PRESSURE MONITORING BEING PERFORMED? Y \_\_\_\_\_ N \_\_\_\_\_  
AGE OF THE WELL \_\_\_\_\_  
DEPTH OF WELL \_\_\_\_\_  
IS THE INJECTION ZONE CONFINED? Y \_\_\_\_\_ N \_\_\_\_\_  
WAS THIS WELL PREVIOUSLY USED FOR ANY OTHER PURPOSE? Y \_\_\_\_\_ N \_\_\_\_\_  
IF YES, DESCRIBE PAST USES. \_\_\_\_\_

13. (A) **OFFSITE WASTE DISPOSAL** { } DOES NOT APPLY

COMPOSITION	LENGTH OF ONSITE STORAGE	QTY/YR	DISPOSAL FACILITY EPA ID # CITY, STATE
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(B) IF YOU WISH TO HAVE NON-OWNED DISPOSAL SITE COVERAGE, THE FOLLOWING ADDITIONAL INFORMATION MUST BE PROVIDED:

- INSURANCE CERTIFICATE FOR EACH DISPOSAL SITE
- AUDITED FINANCIALS FOR EACH DISPOSAL SITE
- VOLUME OF WASTE PROCESSED ANNUALLY BY EACH DISPOSAL SITE

14. **AIR EMISSIONS**

{ } DOES NOT APPLY

A. POINT SOURCES (regulated discharges i.e., stacks, scrubbers)

<u>SOURCE</u>	<u>COMPOSITION</u>	<u>HOW MANY YEARS</u>	<u>CONTROL EQUIPMENT</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

B. FUGITIVE SOURCES (non-regulated sources i.e., fume hoods, spray booths)

<u>NATURE</u>	<u>COMPOSITION</u>	<u>EST. QUANTITY (#/YR)</u>	<u>CONTROL EQUIPMENT</u>
TOXIC GASES & VAPORS	_____	_____	_____
IRRITANT GASES	_____	_____	_____
MALODOROUS GASES	_____	_____	_____
DUST & ASH	_____	_____	_____
OTHER	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

C. HAVE TEST BURNS BEEN CONDUCTED ON ANY COMBUSTION EQUIPMENT?

Y \_\_\_\_\_ N \_\_\_\_\_ (COPIES OF RESULTS MUST BE MADE AVAILABLE UPON REQUEST)

D. IN THE PAST THREE YEARS HAS THE LOCATION HAD ANY REPORTABLE QUANTITY RELEASES, AS DEFINED UNDER FEDERAL, STATE AND LOCAL LAWS, VISIBLE EMISSIONS OR PERMIT EXCEEDENCES? Y \_\_\_\_\_ N \_\_\_\_\_ IF SO, EXPLAIN. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

15. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSEned OR INCREASED) THE RISK OF POLLUTION LIABILITY? Y \_\_\_\_\_ N \_\_\_\_\_

IF SO, GIVE DETAILS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16. A. DO YOU HAVE AN ENVIRONMENTAL MANAGEMENT DEPARTMENT OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL, SAFETY OR COMPLIANCE? Y \_\_\_\_\_ N \_\_\_\_\_ IF YES, DESCRIBE THEIR DUTIES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- B. STATE THE TITLE OF THE OFFICE THAT THE ENVIRONMENTAL STAFF REPORTS TO:

\_\_\_\_\_

17. HAVE ANY PREVIOUS ENVIRONMENTAL AUDITS, STUDIES OR RISK ASSESSMENTS BEEN CONDUCTED FOR THIS LOCATION? Y \_\_\_\_\_ N \_\_\_\_\_  
IF SO, PROVIDE THE NAME OF THE ENGINEERING FIRMS & DATE OF THE SURVEYS. (COPIES MUST BE MADE AVAILABLE UPON REQUEST). \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

[For the purposes of question 19. "YOU" includes the Corporation, Entity, or Partnership of the applicant and any Director, Officer or Partner thereof.]

18. A. HAVE YOU DURING THE PAST FIVE YEARS HAD ANY REPORTABLE RELEASES OR SPILLS OF HAZARDOUS SUBSTANCES, HAZARDOUS WASTE OR ANY OTHER POLLUTANTS, AS DEFINED BY APPLICABLE ENVIRONMENTAL STATUTES OR REGULATIONS? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

- B. HAVE YOU DURING THE LAST FIVE YEARS BEEN PROSECUTED, OR ARE YOU CURRENTLY BEING PROSECUTED, FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE OR THREATENED RELEASE FROM THE LOCATION OF A HAZARDOUS SUBSTANCE, HAZARDOUS WASTE OR ANY OTHER POLLUTANT? IF YES, GIVE DETAILS \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- C. LIST ALL CLAIMS MADE AGAINST YOU DURING THE PAST FIVE YEARS FOR CLEANUP OR RESPONSE ACTION, "TOXIC TORT" OR OTHER BODILY INJURY, OR PROPERTY DAMAGE, RESULTING FROM THE RELEASE OF HAZARDOUS SUBSTANCES, HAZARDOUS WASTE, OR OTHER POLLUTANTS, FROM THIS LOCATION OR OTHER LOCATIONS OWNED OR OPERATED BY YOU, INTO THE ENVIRONMENT. PROVIDE A BRIEF DESCRIPTION OF THE CLAIM(S) AND ITS DISPOSITION. IF NONE, SO STATE. \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

- D. AT THE TIME OF THE SIGNING OF THIS APPLICATION, DO YOU KNOW OF ANY FACTS OR CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO RESULT IN A CLAIM OR CLAIMS BEING ASSERTED AGAINST YOUR COMPANY FOR ENVIRONMENTAL CLEANUP OR RESPONSE, OR FOR BODILY INJURY OR PROPERTY DAMAGE ARISING FROM THE RELEASE OF POLLUTANTS INTO THE ENVIRONMENT? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

The applicant represents that the above statements and facts are true and that no material facts have been suppressed or misstated.

Completion of this form does not bind coverage. Applicant's acceptance of Company's quotation and Company's written agreement to be bound is required to bind coverage and to issue policy. It is agreed that this form shall be the basis of the contract should a policy be issued, and will be attached to the policy.

All written statements and materials furnished to the Company in conjunction with this application are hereby incorporated by reference into this application and made apart hereof.

**NOTICE:** To N.Y. and Ohio applicants: Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. In New York, a person who commits such crime shall also be subject to a civil penalty no to exceed \$5,000 and the stated value of the claim for each such violation.

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in detail.

APPLICANT \_\_\_\_\_ DATE \_\_\_\_\_  
signature of officer of corporation

APPLICANT \_\_\_\_\_  
(print name & title)

BROKER \_\_\_\_\_ DATE \_\_\_\_\_  
(print name of firm)

\_\_\_\_\_  
(address of brokerage firm)

\_\_\_\_\_  
(contact person & telephone number)

PLEASE READ THE FOLLOWING STATEMENT CAREFULLY AND SIGN BELOW WHERE INDICATED. IF A POLICY IS ISSUED THIS SIGNED STATEMENT WILL BE ATTACHED TO THE POLICY.

The insured hereby acknowledges that he/she/it is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Company shall not be liable for the costs of legal defense or for the amount of any judgment or settlement or cleanup costs to the extent that such exceeds the limit of liability of this policy.

The Insured hereby further acknowledges that he/she/it is aware that legal defense costs that are incurred shall be applied against the deductible amount.

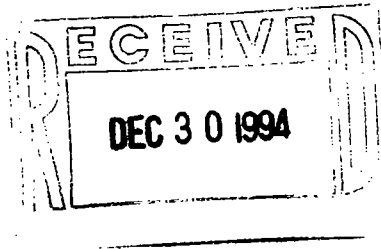
Signed:

\_\_\_\_\_  
(signature of partner or officer)

\_\_\_\_\_  
(print name and title)

Date:

\_\_\_\_\_



**DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES**

JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3181

December 20, 1994

Dale Shay  
Brohm Mining Corp.  
P. O. Box 485  
Deadwood, SD 57732

RE: 1994 Financial Assurance Update for the Gilt Edge Mine

Dear Mr. Shay:

On May 21, 1992 the Board of Minerals and Environment in accordance with SDCL 45-6B-20 set an initial financial assurance amount of \$286,000 for Brohm Mining. In 1993, this amount was increased to \$306,000 to account for inflation. On January 19, 1994, the Board accepted corporate surety no. NTD2509514 in the amount of \$306,000 (less \$50,000 deductible) with Planet Insurance Company, and certificate of deposit no. 0336 in the amount of \$50,000 with First Western Bank, Deadwood, as financial assurance for the Gilt Edge Mine. This corporate surety expires on January 18, 1995.

To comply with financial assurance requirements, Brohm Mining will need to submit to this Department a new corporate surety or another type of bonding mechanism acceptable to the Board. Please notify our office if you are considering another type of financial assurance and we can discuss any special requirements.

Also, note that the financial assurance amount has been recalculated to account for inflation based on the construction cost index (CCI). At the time the original amount was calculated the CCI was 4883.70. The CCI on August 22, 1994 was 5432.95 which represents an increase of approximately 10 percent over the original construction cost index and 3.75 percent over last year's index. As a result, the financial assurance for Brohm Mining will increase from \$306,000 to \$318,000.

The Department would like to bring this financial assurance matter before the Board at their next meeting tentatively scheduled for January meeting. Please submit the new corporate surety with the new financial assurance amount of \$318,000 by January 10, 1995 so it can be presented to the Board at the meeting in Pierre on January 19, 1995. At this time, we plan to handle this financial assurance item with the routine mining issues. No special hearing is planned.

If you have any questions, please feel free to contact our office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eric Holm".

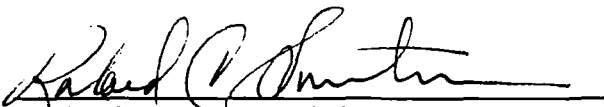
Eric Holm  
Natural Resources Engineer  
Office of Minerals and Mining  
Telephone (605) 773-4201

RECEIVED  
JUN 15 1995

**FINANCIAL ASSURANCE PROVISIONS FOR  
MARCH 16, 1995 AMENDMENT TO BROHM MINING CORP.  
PERMIT NO. 439**

1. Reclamation Surety pursuant to SDCL § 45-6B. The current \$1,230,876 reclamation surety shall remain in its present form as a certificate of deposit.
2. Environmental Surety pursuant to SDCL § 34A-10-2.1.
  - (a) Dakota Mining Corporation and/or MinVen Gold (USA) Corporation (collectively "Dakota") shall post a \$1,000,000 certificate of deposit with the State upon approval of the Mitigation Plan for the Gilt Edge Mine.
  - (b) Dakota shall provide a Demand Note as Proof of Financial Assurance in the form attached as Exhibit A.
  - (c) The amount of the Note shall be the cost to the State to conduct the remediation required by the Mitigation Plan, but not to exceed \$7,286,124 less any reductions for cash or other sureties posted from time to time by Dakota.
  - (d) All interest earned on the cash collateral of the reclamation and environmental sureties will be added to the cash collateral for the environmental surety.
  - (e) Dakota shall submit to the State quarterly reports of its net worth and quarterly reports of its expenditures in carrying out the Mitigation Plan.

Dated this 16th day of March, 1995.

By:   
Richard Sweetman, Chairman  
Board of Minerals and Environment

**EXHIBIT A**

**DEMAND NOTE AS PROOF OF FINANCIAL ASSURANCE**

**DAKOTA MINING CORPORATION AND MINVEN GOLD (USA) CORPORATION** of 410 Seventeenth Street, Suite 2450, Denver, CO 80202 (collectively herein referred to as "Dakota"), in compliance with SDCL 34A-10-2.1 and the March 16, 1995 Order of the Board of Minerals and Environment (the "Board"), hereby promises to pay on demand, with the conditions precedent to demand defined below, to the order of the State of South Dakota ("State") the below stated sum to be used by the State for the purpose of carrying out the Acid Rock Drainage Mitigation Plan ("Mitigation Plan") for the Gilt Edge Mine in Lawrence County, South Dakota, which Mitigation Plan has been approved by the Board as an Amendment to Mine Permit No. 439 of Brohm Mining Corporation ("Brohm").

The amount certain of this note shall be the cost to the State, not to exceed \$7,286,124 less any reductions for cash or other sureties posted by Dakota, of conducting the remediation required by the Mitigation Plan for the Gilt Edge Mine, in the event that Brohm fails to carry out said Mitigation Plan.

The conditions precedent to a demand for payment under this note are:

1. Brohm's failure to carry out the remediation required by the Mitigation Plan for the Gilt Edge Mine.
2. Costs are incurred by the State in carrying out the remediation required by the Mitigation Plan for the Gilt Edge Mine.
3. Written notice from the State to Dakota of the remediation costs incurred by the State, with request that said costs be paid by Dakota to the State within thirty (30) days of the date of the written notice; and
4. Failure of Dakota to pay the costs within the thirty (30) day period.

Upon satisfaction of all the foregoing conditions precedent, a demand for payment may be made under this note. Said demand must be in writing and mailed by certified mail return receipt requested to the address of Dakota stated above.

As allowed by SDCL 34A-10-2.1 and the Board's March 16, 1995 Order, this note is based upon the consolidated net worth of Dakota Mining Corporation and its subsidiaries.

If the consolidated net worth of Dakota Mining Corporation and its subsidiaries drops below \$20,000,000 at any time during the term of this Note, Dakota agrees to post a surety (or other financial assurance instrument acceptable to the State) in the above stated amount

payable to the State upon the conditions set forth above. The surety (or other financial assurance instrument) referred to in this paragraph will not be required during any period in which the consolidated net worth of Dakota Mining Corporation and its subsidiaries exceeds \$20,000,000. Dakota Mining Corporation further agrees to submit quarterly financial reports of its consolidated net worth to the State.

The amount of this note, as defined above, shall draw interest from and after the date of demand hereunder at the rate of eight percent (8%) per annum.

DATED this 16<sup>th</sup> day of March, 1995.

DAKOTA MINING CORPORATION

By: Robert R. Gilmore

Name: Robert R. Gilmore

Title: Vice President, Finance & CFO

Deled. C. Hull

Witness

BROHM MINING CORP.

By: Robert R. Gilmore

Name: Robert R. Gilmore

Title: Vice President

ACCEPTANCE

March 16, 1995

Date

Richard C. Santman

Chairman, Board of Minerals & Environment

**ACORD.****CERTIFICATE OF INSURANCE**

# 4084

ISSUE DATE (MM/DD/YY)

3/24/95

**PRODUCER**

**Marsh & McLennan, Incorporated**  
**Independence Plaza**  
**1050 - 17th St., Suite 900**  
**Denver, CO 80265**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND  
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE  
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE  
POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**COMPANY  
LETTER**A RELIANCE NATIONAL INDEMNITY CO**COMPANY  
LETTER**B**COMPANY  
LETTER**C**COMPANY  
LETTER**D**COMPANY  
LETTER**E****INSURED**

**Dakota Mining Corporation**  
**410 17th Street, Suite 2450**  
**Denver, CO 80202**

**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD  
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS  
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,  
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE \$ PRODUCTS-COMP/OP AGG. \$ PERSONAL & ADV. INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
<b>A</b>	<b>MISC CASUALTY</b> First Party Claims Made Pollution Cleanup CLAIMS MADE; \$318,000 Per Claim/	<b>NTD 250951401</b>	<b>1/18/95</b>	<b>1/18/96</b>	<b>Total All Claims</b>

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

**Certificate Holder is named as additional insured but only as respect to  
the operations at Gilt Edge Mine, Deadwood, South Dakota.**

**CERTIFICATE HOLDER**

**State of South Dakota**  
**Dept. of Environment & Natural**  
**Resources**  
**523 East Capital**  
**Pierre, SD 57501-3138**

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE  
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO  
MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE  
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR  
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

**AUTHORIZED REPRESENTATIVE**

*Cherice Tracy*

**ACORD.****CERTIFICATE OF INSURANCE**

# 4207

ISSUE DATE (MM/DD/YY)

4/13/95

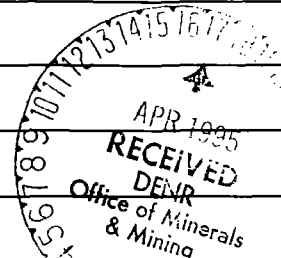
**PRODUCER**

**Marsh & McLennan, Incorporated**  
**Independence Plaza**  
**1050 - 17th St., Suite 900**  
**Denver, CO 80265**

**INSURED**

**Dakota Mining Corporation**  
**410 17th Street, Suite 2450**  
**Denver, CO 80202**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND  
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE  
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE  
POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**COMPANY  
LETTER**A RELIANCE NATIONAL INDEMNITY CO**COMPANY  
LETTER**B**COMPANY  
LETTER**C**COMPANY  
LETTER**D**COMPANY  
LETTER**E****COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD  
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EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE \$ PRODUCTS-COMP/OP AGG. \$ PERSONAL & ADV. INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
<b>A</b>	<b>MISC CASUALTY</b> Pollution Legal Liability Claims Made Policy: \$318,000 each Loss; \$318,000 Total	NTA 250959301	1/18/95	1/18/96	

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

Certificate Holder is named as an additional insured but only as respects  
to the operations at Gilt Edge Mine, Deadwood, South Dakota.

**CERTIFICATE HOLDER****ACCEPTANCE**

**State of South Dakota**  
**Dept. of Environment & Natural**  
**Resources**  
**523 East Capital**  
**Pierre, SD 57501-3138**

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE  
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO  
MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE  
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR  
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

**AUTHORIZED REPRESENTATIVE**

*Anchwa J. Schroeder*

## FINANCIAL ASSURANCE

Dakota Mining Corporation, 1560 Broadway, Suite 880, Denver, Colorado 80202 ("Dakota") is the parent corporation of Brohm Mining Corp.; 2 Gilt Edge Road, Deadwood, South Dakota 57732 ("Brohm"), which owns and operates the Gilt Edge Mine in Lawrence County, South Dakota.

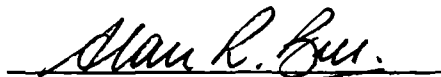
SDCL 45-6B-20.1 and various orders of the South Dakota Board of Minerals and Environment, require that as a condition of operating a mine that employs cyanide leaching to extract minerals from ore, certain financial assurances must be posted. In the case of the mining operations undertaken by Brohm and Dakota, the Board has determined an appropriate amount for that financial assurance to be \$500,000, pursuant to the authority vested in it by SDCL 45-6B-20.1.

Dakota and Brohm have secured a policy of insurance with American International Specialty Lines Insurance Company, insuring Dakota Mining Corporation and Brohm Mining Corp. against pollution legal liability as defined in the policy, policy limits of \$500,000 in the aggregate, which the Board has accepted as a part of the financial assurance required by SDCL 45-6B-20.1 and the Board's orders.

The policy is subject to a deductible of \$50,000.00 for each incident of pollution. To provide the financial assurance required by SDCL 45-6B-20.1 and the Board's orders relative to the deductible amount, Dakota and Brohm, singularly and collectively, by the signatures of their officers hereon, promise to promptly pay the State of South Dakota, on demand, all amounts the State has expended, together with interest thereon at the rate of interest allowed on judgments by the statutes of the State of South Dakota, in investigating, monitoring, responding to, and/or remediating a release of cyanide and/or any other chemical or biological agent employed in the process of leaching minerals from ore in their mining operations in the State of South Dakota.

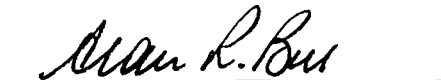
Dated this 9th day of Feb., 1999.

DAKOTA MINING CORPORATION



By: Alan R. Bell  
Its: President and Chief Executive Officer

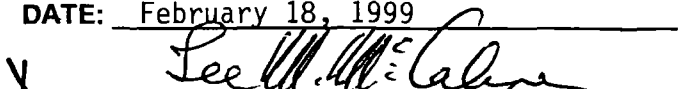
BROHM MINING CORPORATION



By: Alan R. Bell  
Its: President and Chief Executive Officer

ACCEPTANCE:

DATE: February 18, 1999

  
Chairman of the Board of Minerals and Environment

**DEMAND NOTE AS PROOF OF FINANCIAL ASSURANCE**

**DAKOTA MINING CORPORATION**, of 1560 Broadway, Suite 880 , Denver, Colorado 80202 ("Dakota"), is the parent corporation of Brohm Mining Corp., 2 Gilt Edge Road, Deadwood, South Dakota 57732 ("Brohm"), which owns and operates the Gilt Edge Mine in Lawrence County, South Dakota.

In compliance with SDCL-45-6B-20.1 (1992 Supp.), the May 21, 1992 Order of the Board of Minerals and Environment ("the Board") and the January 14, 1998 Board action to approve the change from a Demand Note to an Insurance Policy as proof of Financial Assurance, Dakota hereby promises to pay on demand, with the conditions precedent to demand defined below, to the State of South Dakota ("State"), an amount not to exceed Fifty Thousand Dollars (\$50,000). This Demand Note shall provide the required deductible for the Insurance Policy held by Dakota.

The value of the Insurance Policy shall be at least Three Hundred and Forty-two Thousand and Five Hundred Dollars (\$342,500), the anticipated cost of responding to and remediating accidental releases of cyanide or other chemical or biological leaching agents to the environment at the Gilt Edge Mine. The Demand Note and Insurance Policy shall be exercised in the event that Brohm fails to respond and remediate.

The conditions precedent to demand for the payment under this note are:

1. An accidental release of cyanide or other chemical or biological leaching agent to the environment at the Gilt Edge Mine;
2. Failure of Brohm to respond and remediate the accidental release;
3. Costs incurred by the State in responding to and remediating the accidental release;
4. Written notice from the State to Brohm of the response and remediation costs incurred by the State, with request that said costs be paid by Brohm to the State within thirty (30) days of the date of the written notice; and
5. Failure of Brohm to pay the costs within the thirty (30) day period.

Upon satisfaction of all the foregoing conditions precedent, a demand for payment of the deductible may be made under this Note. Said demand must be in writing and mailed by certified mail return receipt requested to the address Dakota stated above.

As allowed by SDCL 45-6B-20.1 (1992 Supp.), the May 21, 1992 Order of the Board of Minerals and Environment ("the Board") and the Board's January 14, 1998 action, this Note is based on Dakota's net worth.

If Dakota's net worth drops below \$3,000,000 at any time during the term of this Note, Dakota agrees to post a surety (or other financial assurance instrument acceptable to the State) in the amount of Fifty Thousand Dollars (\$50,000), payable to the State upon the conditions set forth above. The surety (or other financial assurance instrument) will not be required during any

period in which Dakota's net worth exceeds the above sum. Dakota shall notify the Department of Environment and Natural Resources (Department) of any substantial changes in Dakota's structure or corporate ownership and shall also notify the Department of any adverse financial conditions that substantially affect Dakota's net worth.

The term of this Note shall be from the date of the Board's acceptance until January 31, 1999.

The amount of this Note, as defined above, shall draw interest from and after the date of demand hereunder at the rate of the Chase Manhattan prime rate for the United States loans as listed in the Wall Street Journal on the day of demand, plus one percent (1%).

DATED this 31 day of January, 1998.

DAKOTA MINING CORPORATION

By: 

Brian Cram  
Vice President, Finance  
Chief Financial Officer

ACCEPTANCE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chairman, Board of Minerals  
and Environment

PLANET INSURANCE COMPANY

Sun Prairie, Wisconsin

APPLICATION FOR POLLUTION CLEAN-UP COVERAGE  
(Include 10K report, annual report, and flow chart of process if available.)

This is an application for a CLAIMS MADE Policy

1) NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

Brohm Mining Corporation

EPA IDENTIFICATION NUMBER(S): N/A

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, S.D. 57732

LOCATIONS TO BE COVERED: Gilt Edge Mine

2) NAMED INSURED IS:

\_\_\_\_ Partnership X Corporation \_\_\_\_ Joint Venture \_\_\_\_ Other \_\_\_\_

3) HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Since 1987

4) SALES:

A) ESTIMATED (Ensuing Year): 9,000 Ounces of Gold

B) LAST 5 YEARS:	19 <u>92</u>	19 <u>91</u>	19 <u>90</u>	19 <u>89</u>	19 <u>88</u>
Ounces of Gold	26,838	30,302	33,133	17,160	6,660

5) COMPANY PROFILE AND ENVIRONMENTAL AFFAIRS MANAGEMENT

- A) Outline the site history including any previous uses of the site and by whom: Open pit heap leach gold and silver mine. Start up in 1987.

Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

- B) Briefly describe the operations conducted at the facility, including raw materials and by-products: Ore/waste rock is produced from mine by surface mining method. Waste rock is delivered to modified valley-fill repository. Ore is crushed to 1" size and carried to triple-lined (clay, fml, fml) leach pad. A diluted cyanide solution is applied to ore. Dilute cyanide solution is piped to plant where gold/silver is recovered.

- C) Give details on any claims or lawsuits against the company, including outcome when applicable: The Technical Information Project of Rapid City, S.D. filed suit against Brohm in 1992 over a traditional NPDES permit. The suit was settled in August 1993 wherein Brohm agreed to pay TIP \$25,000 to cover its legal costs.

- D) Describe the Management Organization and identify those managers with environmental responsibility (attach organization chart if available): \_\_\_\_\_

See Attached Organization Chart

E) Briefly describe any employee training classes held: Employees trained in accordance with 30CFR part 48. Additional training on an "as needed" basis conducted. Separate and unique one time training by vendors (DuPont, DeGussa, etc.)

F) Describe the company's interaction with local, state, and federal authorities: Company official is member of the County LEPC which has recently updated its emergency planning in accordance with "Sarah Title III". Company reports regularly to the County Planning and Zoning administration. Company officials work closely with South Dakota DENR on nearly a daily basis. Other than MSHA, company dealings with Federal agencies is on a sporadic basis. Company officials also work with the EPA thru NPDES and the U.S. Forest Service on permit applications

6) OVERALL FACILITY OPERATIONS

A) Provide a description of the site, including adjacent properties and target populations (attach site plan) See attached site plan. Attachment III

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B) Identify nearby water sources, both surface and groundwater: \_\_\_\_\_

See attached site plan. Attachment III

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C) Are there any protected environments in the area (parks, wildlife preserves, etc.)? \_\_\_\_ yes X no

If yes, please describe: \_\_\_\_\_

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D) Briefly describe the geology and hydrogeology of the area: \_\_\_\_\_

See Attachment II

E) Identify any surface or groundwater uses in the area (drinking wells, etc.):

No domestic or commercial uses within 1 mile of property boundaries.

F) Is public water and sewer available? \_\_\_\_ yes X no

G) Outline the security measures at the facility, describe the facility access points, security system, posted areas: Facility is accessed via private access road through main gate located at Administration building operated by remote controllers. Access to property is through ancillary routes controlled by fences/locked gates. Ancillary access is primarily by abandoned logging trails. Facility product is under constant video, IR and motion detector type electronic surveillance. Security system is monitored at a remote central monitoring location.

H) List the safety programs presently in place: Employee training is in compliance with 30CFR part 48, additional training on "as-needed" basis supplied in-house or by applicable vendors i.e. DuPont, DeGussa, etc. An employee safety incentive program is in place but is currently inactive.

I) Describe the fire safety systems in place: Portable fire extinguishers are located throughout facility as per regulatory requirements. Plant has dedicated fire-fighting system (standardized hoses, fittings and piping compatible with local fire department(s)). Also in place are dedicated fire suppression pumps, back up electric system and 60,000 gallon water storage in accordance with local zoning ordinances and NFPA recommendations.

J) Outline the emergency procedures used at the facility: A spill contingency plan is in place updated yearly, facility personnel involved in LEPC. South Dakota Mining Association sponsors a Technical Advisory Committee.

7) SOLID AND HAZARDOUS WASTE MANAGEMENT

A) Outline the sources of solid and hazardous waste: All liquid laboratory wastes are disposed of according to RCRA Standards. For a period of time, certain laboratory wastes (Centrifuge tubes) were not disposed or recycled. These wastes are stored in sealed heavy plastic drum liners inside sealed drums. As the work load lightened up in the laboratory, there has been time available to clean and reuse the centrifuge tubes. At the present time, there are no plans for disposal of these wastes, however should disposal be required, RCRA Standard would be followed.

B) Describe the storage practices used: See A) above.

C) Describe the disposal methods used: \_\_\_\_\_

D) Is there a manifest system in place (include a recent copy)? \_\_\_\_ yes X no

E) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

F) Is there a wastewater treatment unit on site? \_\_\_\_ yes X no

If yes, identify:

1) What type of treatment? \_\_\_\_\_

2) Quantity per year \_\_\_\_\_

3) Discharge points for treated wastewater \_\_\_\_\_

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\_\_\_\_\_

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**See Attachment I and V. Hydrogen Peroxide, Descalent, Sodium**

\_\_\_\_\_

\_\_\_\_\_

4) Inventory control (permitted amount): **No permitted limits.**

B) Tank Storage: See Attachment I and V

<u>Tank No.</u>	<u>Material</u>	<u>Capacity</u>	<u>Age</u>	<u>A/G or U/G</u>	<u>Diked</u>
_____	<u>Hydrogen</u>	<u>8,000 gal.</u>	_____	_____	_____
<u>1 &amp; 2</u>	<u>Peroxide</u>	<u>10,000 gal.</u>	<u>3 yrs.</u>	<u>A/G</u>	<u>No</u>
<u>3 &amp; 4</u>	<u>Liquid Propane</u>	<u>10-12,000 gal.</u>	<u>(unknown)</u>	<u>A/G</u>	<u>No</u>
	<u>Diesel</u>	<u>10,000 gal.</u>	<u>(unknown)</u>	<u>A/G</u>	<u>Yes</u>
	<u>Gasoline</u>	<u>1,000 gal.</u>	<u>(unknown)</u>	<u>A/G</u>	<u>Yes</u>
	<u>Carbon Dioxide</u>	<u>8,000 gal</u>	<u>(unknown)</u>	<u>A/G</u>	<u>No</u>

C) Have any underground tanks or underground piping ever been present at the site? X yes \_\_\_\_\_ no

If yes, please explain: Pipes between process plant and surge pond and buried water and gas lines, ceptic tanks

D) Is a spill plan approved and on file (attach copy)? X yes \_\_\_\_\_ no

(See Attachment V)

9) OTHER CONCERNS

A) Is there any asbestos located anywhere on the site? \_\_\_\_\_ yes X no

If yes, identify: \_\_\_\_\_  
\_\_\_\_\_

B) Is there any PCB contaminated material anywhere on the site? \_\_\_\_\_ yes X no

If yes, identify: \_\_\_\_\_  
\_\_\_\_\_

10) ADDITIONAL INFORMATION

A) Please attach the latest monitoring results for facility effluent discharges, air emissions, landfills, or surface impoundments, including any groundwater data available. See Attachments VI, VII

B) Please attach a schedule of all storage tanks including the following information: capacity, age, above or below ground, spill containment methods, contents, steel or fiberglass, type of inventory control, testing methods. See Attachment I

11) RECORD

- A) Have you during the last 5 years been prosecuted for contravention of any standard or law relating to the release from the location of a substance into sewers, rivers, air or onto land? ☐ yes ☒ no (Settled without going to court)

If yes, give details: \_\_\_\_\_

\_\_\_\_\_

- B) Please describe any pollution claims during the last 5 years (if none, please so state): None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- C) At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy?

☐ yes ☒ no

If yes, give details: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\* NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corp.

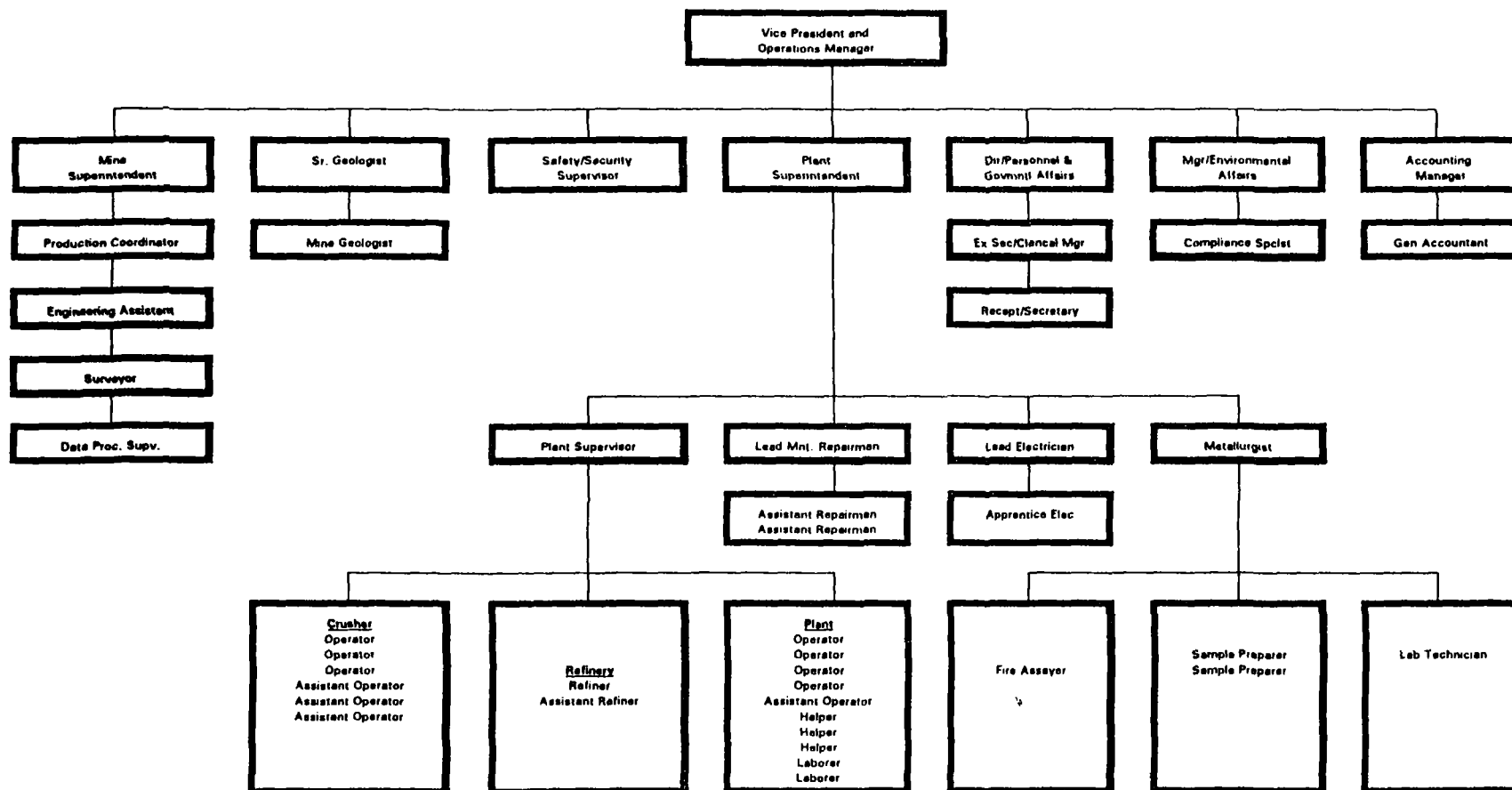
By: J.C. Sowers, III (Title) Date: JANUARY 5, 1994  
J.C. Sowers, III Treasurer

Agent/Broker: Marsh McLennan, Inc.

Address: 1700 Lincoln, Suite 4900 Denver, CO 80203

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

1/94 APPLICATION  
contains original  
attachments.



- Various other reagents single lined min.  
all excess solution routed to Triple-lined  
Surge pond.
- Other - No hazardous Reagents stored  
on ground in DOT approved shipping  
containers.



REFERENCES	BROHM MINING CORP.		
SEC. 5,6,7 AND 8 T 4 N, R 4 E OF THE B.H. MERIDIAN LAWRENCE CO., SD	EXISTING CUP, ACCESS ROADS AFFECTED GROUNDS CLAIMS		
	HAUL ROADS, PROPOSED CUP WASTE DISPOSAL SITES AND FACILITIES		
	SCALE 1"=200'	DATE 1-8-88	DRAWN BY FOX
	APPROVED BY		

<b>ORATION</b> <b>CT</b>  <b>H DAKOTA</b>	TITLE <i>Attachment I</i> <b>SITE PLAN</b>		
	CUSTOMER APPROVAL BY: <i>[Signature]</i>		DRAWING NUMBER <b>50-100-02</b>
NORTH BOULEVARD DO, 80226  DRIVE 39431	JOB NUMBER <b>J-8740</b>	SCALE <b>1"=200'</b>	SHEET OF <div data-bbox="1230 1759 1328 1843" data-label="Image"> </div>

## Attachment II - Regional Geology & Hydrology

### Question 6 D

(sites 39LA495, 39LA496, and 39LA497). All three sites are on private lands presently owned or controlled by BMC. None of these sites are considered eligible for nomination to the National Register of Historic Places.

#### 4.7 GEOLOGICAL SURVEY

##### 4.7.1 Regional Geology

The Black Hills of South Dakota, Wyoming and Montana represent an elongate dome which is some 60 miles wide and 120 miles long. Doming of this region occurred in Early Tertiary time, or about 60 to 65 million years ago. As a result of uplift and doming, rock units older than the age of uplift activity were tilted, and now dip essentially radially away from the central core of the uplift. Rock units exposed in the Black Hills region consist of Archean and Proterozoic igneous rocks, Precambrian metasedimentary rocks, sedimentary rocks ranging in age from Paleozoic to Mesozoic, igneous rocks of Cenozoic age and Quaternary sediments (Figure 4-2).

Igneous rocks of Cenozoic (Early Tertiary) age occur in a northwest trending belt some 12 miles wide and 50 to 60 miles long. The Gilt Edge Mine area is located at one of the major sites of intrusive activity along this belt.

GENERAL OUTCROP SECTION OF THE BLACK HILLS AREA								
		FORMATION	SECTION	THICKNESS in feet	DESCRIPTION			
TERTIARY	QUATERNARY	SANDS AND GRAVELS		0-60	Sand, gravel, and boulders. Light colored sand and silt.			
	PLIOCENE	OSALLALA GROUP		0-100				
	MIOCENE	ARIKAREE GROUP		0-600	Light colored clay and silt. White ash bed at base.			
	OLIGOCENE	WHITE RIVER GROUP		0-600	Light colored clay with sandstone channel fillings and local limestone lenses.			
	PALEOCENE	PORT UNION FORMATION	TONGUE RIVER MEMBER		0-425	Light colored clay and sand, with coal bed farther north.		
			CANNONBALL MEMBER		0-225	Green marl shales and yellow sandstones, the latter often as concretions.		
			LUDLOW MEMBER		0-350	Somber gray clay and sandstone with thin beds of lignite.		
	?		HELL CREEK FORMATION (Lance Formation)		425	Somber-colored soft brown shale and gray sandstone, with thin lignite lenses in the upper part. Lower half more sandy. Many lignite concretions and thin lenses of iron carbonate.		
			FOX HILLS FORMATION		25-200	Grayish-white to yellow sandstone.		
	CRETACEOUS	UPPER		PIERRE SHALE		1200-2000	Principal horizon of limestone lenses giving tongue buttes.  Dark-gray shale containing scattered concretions.  Widely scattered limestone masses, giving small tongue buttes.  Shore Springs Mem	
			NIOBRARA FORMATION		100-225	Impure shale and calcareous shale.		
			Turner Sand Zone					
			CARLILE FORMATION		400-750	Light-gray shale with numerous large concretions and sandy layers.		
			Well Creek Sands					
LOWER			GREENHORN FORMATION		(25-30) (200-350)	Impure shaly limestone. Weathered buff.  Dark-gray calcareous shale, with thin Green Lake limestone at base.		
		GRANEROS GROUP		BELLE FOURCHE SHALE		300-550	Gray shale with scattered limestone concretions.  Clay near base of bed.	
				MOWRY SHALE		180-250	Light-gray siliceous shale. Fish scales and thin layers of sandstone.	
				NEWCASTLE SANDSTONE		50-60	Brown to light yellow and white sandstone.	
		INYAN HILLS GROUP		SKULL CREEK SHALE		170-270	Dark gray to black shale.	
			LAKOTA F.M.	FALL RIVER (DAKOTA (?) ss)		10-200	Massive to shaly sandstone.	
					Fusion Shale Minnesota is		10-188 0-25 25-485	Coarse gray to buff cross-bedded con- glomeratic ss, later bedded with buff, red, and gray clay, especially toward top. Local fine-grained limestone.
					MORRISON FORMATION		0-220	Green to brown shale. Thin sandstone.
					UNKPAPA SS		0-225	Massive fine-grained sandstone.
		JURASSIC		SUNDANCE FM		250-450	Greenish-gray shale, thin limestone lenses. Glauconitic sandstone; red ss. near middle.	
	GYPSON SPRING			0-45	Red siltstone, gypsum, and limestone.			
TRIASSIC ?			SPEARFISH FORMATION		250-700	Red sandy shale, soft red sandstone and siltstone with gypsum and thin limestone layers.  Gypsum locally near the base.		
	PERMIAN			Goose Egg Equivalent				
			MINNEKAHTA LIMESTONE		30-50	Massive gray, laminated limestone.		
PENNSYLVANIAN		OPECHE FORMATION		50-135	Red shale and sandstone.			
		MINNELUSA FORMATION		360-650	Yellow to red cross-bedded sandstone, limestone, and anhydrite locally at top. Interbedded sandstone, limestone, dolomite, shale, and anhydrite.			
					Red shale with interbedded limestone and sandstone at base.			
MISSISSIPPIAN		PAMASAPA (MADISON) LIMESTONE		300-630	Massive light-colored limestone. Dolomite in part. Coverstone in upper part.			
DEVONIAN		ENGLEWOOD LIMESTONE		30-60	Pure to buff limestone. Shale locally at base.			
ORDOVICIAN		WHITEWOOD (RED RIVER) FORMATION		0-60	Buff dolomite and limestone.			
CAMBRIAN		WINNIPEG FORMATION		0-100	Green shale with siltstone.			
		DEADWOOD FORMATION		10-400	Massive buff sandstone. Greenish glauconitic shale, flaggy dolomite and flatbedded limestone conglomerate. Sandstone, with conglomerate locally at the base.			
PRE-CAMBRIAN		METAMORPHIC and IGNEOUS ROCKS			Schist, slate, quartzite, and granite gneiss. intruded by dikes, metamorphosed to amphibolite, and by greenschist and pegmatite.			

DEPARTMENT OF GEOLOGY AND GEOLOGICAL ENGINEERING

SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY

RAPID CITY, SOUTH DAKOTA

Figure 4-3

1963

#### 4.7.2 Local Geology

Within the Gilt Edge Project area of the Bear Butte Mining District, multiple alkaline intrusive igneous rocks of Early Tertiary age were intruded into Precambrian metasedimentary and Cambrian sedimentary rock units (Figure 4-2). Rock types exposed in this area include Precambrian metasedimentary rocks, Upper Cambrian Deadwood Formation, Cretaceous or Early Tertiary tuffaceous rocks, and Eocene intrusive rocks which have been subdivided into, from oldest to youngest, hornblende trachyte, trachyte porphyry and quartz trachyte porphyry (Figure 4-3 and 4-4).

The Precambrian rocks are dominantly composed of quartz mica schist with subordinate amphibolite and metachert. The Upper Cambrian Deadwood Formation consists of a basal quartzite which ranges in thickness from 0 to about 30 feet. Overlaying the basal quartzite are interbedded units of shale, calcareous siltstone, and minor silty dolomite and limestone.

A tuffaceous siltite occurs in the east-central part of the area. This unit has been assigned a Late Cretaceous to Early Tertiary age on the basis of possible dike-like intrusions of hornblende trachyte. This rock type is typified by fine-grained to silt-size quartz grains with occasional tiny biotite flakes (Nielsen, 1987).

The oldest Tertiary intrusive rocks exposed in the area consist of hornblende trachyte porphyry. This unit forms laccolithic bodies, sills and dikes, and intrudes the Precambrian and Upper Cambrian rocks

as well as the Cretaceous or Tertiary tuffaceous unit. The hornblende trachyte is typically green-gray and consists of plagioclase and hornblende phenocrysts in a microcrystalline groundmass of potassium feldspar (MacLeod, 1987).

The trachyte porphyry is light to medium gray, with cryptoperthite and minor plagioclase phenocrysts set in a ground of microcrystalline potassium feldspar (MacLeod, 1987). The quartz trachyte porphyry is light gray and consists of sanadine, crytoperthite, plagioclase, and quartz phenocrysts in a groundmass of mostly potassium feldspar (MacLeod, 1987).

Brecciated masses of angular rock fragments occur marginal to the latest intrusive stocks of quartz trachyte porphyry. These breccias include variable size fragments of all rock types described above with the exception of the tuffaceous unit and the quartz trachyte porphyry. The breccia matrix is composed of quartz, clays, and iron-oxides in the shallow oxidized portions. Where unoxidized at depth, the breccia is typically composed of quartz, pyrite, maracasite, fluorite, and clays.

#### 4.7.3 Structure

The Precambrian rock units in the Gilt Edge area generally strike northwest and dip to the southwest. Folds within these units usually plunge to the southeast. Regionally, Deadwood Formation strata dip gently to the northeast. However, locally this general pattern is disrupted by doming caused by the Tertiary intrusive activity.

The hornblende trachyte unit generally forms a laccolithic body which intruded along the contact between Precambrian rocks and the Deadwood Formation and within the Deadwood Formation mainly as sill-like bodies which inflate the thickness of the Deadwood. Within Precambrian rock units, the hornblende trachyte intrusive bodies are more dike-like and tend to occur as intrusives in faults and along foliation within the Precambrian rocks (Figure 4-5). In contrast to the hornblende trachyte, the trachyte porphyry and quartz trachyte porphyry units tend to occur as intrusive stocks in the main Gilt Edge area. Outward from the mine area these units form small plugs, dikes and sills in the Precambrian and Cambrian country rocks.

Steeply dipping to nearly vertical north, northeast and northwest trending faults and fracture zones are prevalent in the main mine area. Northeast and northwest fault trends predominate, and in some cases are best described as fracture zones of more or less parallel, low-displacement offsets ranging in width from a few tens of feet to 100 feet or more. The northeasterly trend is subparallel with the margins of the trachyte and quartz trachyte stocks and is believed to have been a throughgoing major zone of weakness in the basement rocks and at least in part controlled the emplacement of the Tertiary intrusives.

#### 4.7.4 Mineralization

All lithologies described above, with the exception of the tuffaceous unit exposed east of the main mine area, are known to host ore-grade gold mineralization in the Gilt Edge mine area. Oxidized gold ore in the Sunday and Dakota Maid pits is hosted primarily by trachyte

porphyry stocks. The ore is primarily structurally controlled and ore grade is directly related to the amount of fracturing and alteration within the trachyte porphyry and other units. Oxide ore gangue minerals include iron oxides, clays, quartz and secondary potassium feldspar.

Unoxidized ore gangue minerals include quartz, secondary potassium feldspar, fluorite, pyrite, marcasite and minor amounts of chalcopyrite, covellite, arsenopyrite, pyrrhotite, and magnetite (MacLeod, 1987 and Honea, 1987). Mineralization is believed to have occurred during and shortly after the last stage of intrusive activity.

4.7.5 Alteration: The most intensely altered rock unit in the Gilt Edge Mine area is the trachyte porphyry. Alteration observed within this unit includes argillic, sericitic and potassic alteration. Propylitic and weak argillic alteration is observed within the quartz trachyte porphyry.

#### 4.8 SOCIO-ECONOMIC

Lawrence County requires a socio-economic analysis for mining operations in the County. Brohm Mining Corporation (BMC) contracted with Mike Madden of the University of South Dakota to conduct the analysis.

Benefits from the BMC project are creation of 93 jobs, improvement of FDR #170 road from U.S. 385 to the Gilt Edge project site, about \$6,000,000/year in non-labor expenditures and the benefits of the

associated multiplier effect in the local and state economy. Perhaps the greatest benefit to the state and county is the annual \$5.9 million in sales and property taxes and the annual \$300,000 to \$750,000 (depending on the price of gold) mining tax which will be collected by the State.

The proposed project was examined from the concept of increased demands for public services. There are currently adequate public services, schools, and medical facilities for the anticipated work force. Most Brohm employees presently reside in the area and most future new hires will come from the local area. Public services are currently being provided for these residents and the demand factor for additional public services should be negligible. In summary, positive benefits to the state and county of jobs and taxes greatly outweigh any minor increase in demand for public services.

#### 4.9 GROUND WATER RESOURCES

This section describes groundwater resources in the proposed amendment area and for completeness also briefly describes groundwater in the existing permit area.

##### 4.9.1 Baseline Groundwater Monitoring.

Baseline groundwater monitoring within the study area includes both groundwater quality sampling and monitoring of groundwater levels. Much of the existing data is from monitoring wells in upper Strawberry Creek that were constructed as a part of the original 1985 baseline investigation. Results of this baseline groundwater study were in a

comprehensive report completed in 1985 and titled "Groundwater Characterization Report, Gilt Edge Mining Project near Deadwood, South Dakota". Groundwater quality information over a three-year period is available for these wells. Data for the eastern part of the study area is from domestic water-supply wells, springs, and a series of recently completed groundwater monitoring wells. Location of existing and proposed monitoring wells are shown on Exhibit 5-1. Initial sampling of these wells was completed in November and December 1987. In addition, "surface water" sampling at the mouths of Ruby and Butcher Gulches was included because most of the flow at these points is the result of seepage from the shallow aquifer.

In general, groundwater in the study area is good quality calcium-bicarbonate type. Comparison with EPA drinking water standards reveals that, in most cases, iron and manganese are the only constituents above these standards. The exceptions are monitoring wells located in upper Strawberry Creek that are influenced by seepage from abandoned tailings deposits.

#### 4.9.2 Identification Of Aquifers

The area contains three basic bedrock groups: 1) Precambrian schists, gneisses and cherts; 2) Cambrian Deadwood formation hornfels and quartzite; and 3) Tertiary intrusives. In addition, an accumulation of unconsolidated alluvial and colluvial material derived from these rock groups is present in most drainages.

All three bedrock types are massive rocks with very low porosity and permeability. Water-bearing zones are limited to those areas in which permeability has been increased due to factors such as weathering, fracturing, jointing, faults, and mineralization. In the Strawberry Creek drainage two wells in the bedrock aquifer showed relatively high, short term transmissivity values ( $900 \text{ ft}^2/\text{day}$ ). However, other bedrock wells, comprising the vast majority of the area, showed very low transmissivities (less than  $5 \text{ ft}^2/\text{day}$ ). Drilling in the eastern part of the study area, adjacent to Ruby and Butcher Gulches also showed low permeability of the bedrock.

The presence of groundwater in the shallow aquifer is probably limited to deposits in drainage bottoms. While hillslope soils allow infiltration of precipitation, the low permeability and extensive vegetation preclude long-term saturation.

#### 4.9.3 Groundwater Flow.

The study area is located at the headwaters of drainages running north, east, and south. No surface water enters the study area from outside. Considering the absence of any throughgoing regional aquifer in the area, and the localized nature of both shallow and bedrock water-bearing zones, significant movement of groundwater into the study area is highly unlikely. Recharge to the groundwater system thus is confined to infiltration of precipitation and surface water within the study area.

### Shallow Aquifer.

Water infiltrating into the shallow aquifer will move downhill, along the top of the less-permeable bedrock surface. The obvious down-drainage flow direction is confirmed by the intermittent appearance of water in the drainage bottoms. The shallow aquifer in Ruby Gulch discharges to the surface near the mouth of the gulch and also into the shallow unconsolidated aquifer underlying Bear Butte Creek.

The rate of groundwater movement can be estimated from the permeability gradient, and porosity of the shallow aquifer. Slug tests of comparable, unconsolidated deposits along upper Strawberry Creek provided permeability estimates of 0.5 to 0.8 ft/day (JMM, 1985). The groundwater gradient in Ruby Gulch appears to be close to that of the surface drainage, 0.074 (390 ft/mile). An unconsolidated silt deposit will have a porosity in the 35 to 50% range (Freeze & Cherry, 1979), but much of the volume of the shallow aquifer in Ruby Gulch consists of solid rock fragments, therefore a porosity of 30% is assumed. With a groundwater gradient of 0.074 and a permeability of 0.5 to 0.8 ft/day, a groundwater velocity of 0.12 to 0.20 ft/day is calculated for the shallow aquifer.

### Aquifer Interconnections.

An additional discharge direction for the shallow aquifer is downward into the underlying bedrock. Paired observation wells along Strawberry Creek, and at the mouths of Ruby and Butcher Gulches, consistently showed bedrock aquifer hydraulic heads lower than those in the overlaying shallow aquifer. Pump testing of bedrock well GW-4 on upper

Strawberry Creek (December 1986) demonstrated the connection between the two aquifers as water levels in the shallow aquifer (well 2-S) dropped in response to the pumping. The shallow aquifer water table remained higher than in the bedrock aquifer throughout the test and began to rise as the downward gradient decreased following cessation of pumping.

Groundwater flow in the shallow aquifer generally occurs throughout the saturated interval, whereas groundwater movement in the bedrock is strongly concentrated in local zones of higher permeability. Fractures, joints, faults, mine workings and some mineralized zones may provide connections between the shallow and bedrock aquifers.

On the north fork of Ruby Gulch there are several mine shafts located in unconsolidated material of the shallow aquifer. One such shaft is open deep enough to reveal a bedrock water level of approximately 25 feet. There are no appearances of shallow groundwater in the bottom of this fork of the gulch. On the south fork, where no shafts are present to convey water into bedrock, the shallow groundwater table appears to be closer to the ground surface and forms a small pool in at least one location.

Upper Hoodoo Gulch contains numerous mine workings including several old shafts. No open shafts or wells provide water level data in this area, however, groundwater does not appear to be close to the ground surface.

### Bedrock Aquifer.

The bedrock aquifer receives recharge by infiltration from streams and precipitation into outcrop areas and from downward flow from the overlaying shallow aquifer. Movement of groundwater within the bedrock aquifer is primarily along higher permeability zones. While the geological character of the bedrock aquifer suggests the possibility of many discrete, perched water-bearing zones, the general lack of springs and seeps in the study area suggests some hydraulic interconnection in the bedrock.

Examination of water levels reported from over 80 mineral exploration holes and measurements in a dozen monitor wells provides an approximation of the water table in the bedrock aquifer. In general, the potentiometric surface is a subdued form of the surface topography. The groundwater divide between Strawberry Creek and Ruby Gulch generally coincides with the drainage divide. The depth to groundwater decreases as surface elevation decreases. Depths to water on upper hillsides and hilltops are commonly 150 to 200 feet and have been measured as deep as 450 feet. Depths to water in bedrock holes on lower slopes and in valleys are mostly less than 100 feet and are less than 10 feet in several cases.

In the upland areas, where closely spaced holes are of varying depths, the deeper holes tend to have lower water levels. This identifies downward gradients within the bedrock aquifer and indicates generally low permeabilities. An open mine shaft on the north fork of Ruby Gulch is less than 100 feet from well BED-18, yet preliminary data shows a

water level difference of over 200 feet. In one mineral exploration hole, a flooded mine working was encountered and this well has a low water table elevation. Evidently, the mine working allows drainage from the adjacent saturated bedrock.

Discharge from the bedrock aquifer appears to occur at lower elevations in the study area, along lower Strawberry and Bear Butte Creeks. In the GW7/GW6 shallow/bedrock aquifer pair at the lower end of upper Strawberry Creek, the bedrock water table is less than 2 feet lower than that in the shallow aquifer. Both water levels indicate a groundwater gradient towards Strawberry Creek.

In the Hoodoo Gulch area, a small spring issuing from the portal of a collapsed adit is interpreted as a bedrock aquifer discharge point. Approximately 0.5 gpm flows from this spring into Hoodoo Gulch, then down into two ponds formed where beavers have augmented dams that were created by a mine spoil pile. Well BES-17, located immediately downhill from the ponds has a water table at a depth of 8 feet which is several feet above the water level in adjacent Strawberry Creek.

On the opposite side of Strawberry Creek and upstream from Hoodoo Gulch, the water level in the 300-foot deep Oro Fino Shaft is 6.6 feet above the water surface in Strawberry Creek indicating groundwater flow from the bedrock to the stream.

No aquifer tests have been completed to date for the bedrock aquifer in the Ruby or Hoodoo Gulch areas. Tests along upper Strawberry Creek

(JMM, 1985) showed short-term transmissivities as high as 900 ft<sup>2</sup>/day in a mineralized zone of the Deadwood Formation. Longer-term tests of these same wells showed a much lower transmissivity of 40 ft<sup>2</sup>/day. Testing of a bedrock well completed in intrusives and Precambrian schists, more typical of the Ruby and Hoodoo drainages, showed a very low transmissivity of 5.6 ft<sup>2</sup>/day.

The Oro Fino shaft is located in Precambrian rock at the intersection of two faults (McLeod, 1987). Due to its favorable structural location, this shaft should encounter maximum transmissivity for this bedrock group. The shaft was pumped between December 3 and 11, 1987, at an average rate of 225 gpm. Preliminary analysis of the drawdown observed in the nearby bedrock well, BED-11, indicates a transmissivity of 134 ft<sup>2</sup>/day. While the effective "saturated thickness" of the bedrock aquifer is unknown, a maximum permeability value is obtained by dividing the calculated transmissivity by the observed (minimum) saturated thickness of 270 feet (the depth of water in the Oro Fino shaft). This calculation suggests a maximum permeability of 0.49 ft/day.

An approximate gradient for the bedrock aquifer is 0.077 (400 ft/mile). Assuming a 2% porosity for fractured igneous and metamorphic rocks, a bedrock groundwater flow velocity of 1.9 ft/day is indicated. This is probably a maximum velocity in that it is derived from tests in areas thought to have anomalously high permeabilities. Groundwater flow velocity calculations using aquifer characteristics based on test results from upper Strawberry Creek shows a permeability of 0.007

ft/day and velocity of 0.3 ft/day. Considering the lack of evidence of fracture-enhanced permeability in Ruby Gulch, this lower groundwater velocity is likely to apply to the Ruby Gulch drainage.

#### 4.9.4 Water Quality

Groundwater quality data are available for the existing permitted area and for the proposed amendment area. Considerable data are available from monitoring wells in the Strawberry Creek drainage and from private wells in the community of Galena. The following groundwater sites provide data applicable to the amendment area.

<u>WELL</u>	<u>LOCATION</u>
6-D	Deep monitoring well in the leach pad area (see Exhibit 2-3) (This well was abandoned and sealed in August 1987 due to pad construction)
Brewer	Private well near Galena
Germann	Private well near Galena

Typical water quality from these wells is in Table 4-3. Groundwater in the leach pad area should be representative of bedrock water in the upper end of Hoodoo and Ruby Gulches. This water is a very hard, calcium-sulfate type with moderate concentrations of some metals and low concentrations of nutrients.

The two private wells near Galena (Brewer and Germann on Table 4-3) show groundwater in this area is a very hard, magnesium-bicarbonate

TABLE 4-3

## TYPICAL BASELINE WATER QUALITY ANALYSIS

SAMPLING POINT SAMPLE DATE TYPE	BREWER 2/85 WELL	GERMANN 2/85 WELL	6-D 10/85 WELL	SW-4 5/85 SURFACE	SW-6 6/87 SURFACE	SW-1 6/87 SURFACE
alk (CaCO <sub>3</sub> )	240	184	98	86	76	29
HCO <sub>3</sub>	293	224	120	105	93	35
CO <sub>3</sub>	0	0	0	0	0	0
Cl	1.5	1.5	2.0	1.0	4	3
SO <sub>4</sub>	57	30	134	31.8	70	14
Ca	45	32	70	29.5	43	10
Mg	36	23	13	6.5	7	3
K	3.5	5.5	3	2.7	3	1
Na	10.8	9.9	6	2.4	3	3
Major Anions (MEQ/l)	6.04	4.46	4.71	2.39	3.09	0.96
Major Cations (MEQ/l)	5.78	4.06	4.90	2.25	2.94	0.91
pH (units)	7.49	7.65	7.33	7.75	7.76	6.31
conductivity (umhos/cm)	540	380	500	240	293	88
Cyanide, Total	<0.010	<0.010	<0.01	<0.01	<0.01	<0.01
Cyanide, WAD	<0.010	<0.010	<0.01	<0.01	<0.01	<0.01
Cyanide, Free			<0.01	<0.01	<0.01	<0.01
Hardness (CaCO <sub>3</sub> )	263	176	229	93	137	37
Dissolved Solids	270	170	318	141	160	76
Suspended Solids	<1	<1	37	3	<1	8
Turbidity, NTU	5	6	52	4	4	56
Sb	<0.005	<0.005	0.012	<0.005	<0.005	<0.005
Al	<0.10	<0.10	0.85	<0.10	0.26	1.24
As	<0.005	<0.005	0.007	<0.005	<0.005	<0.005
Ba	<0.10	<0.10				
Be					<0.0005	<0.0005
B					<0.25	<0.25
Cd	<0.0005	<0.0005	0.0015	<0.0005	0.0003	<0.0005
Cr	<0.005	<0.005	0.20	<0.005	0.015	0.020
Co					<0.005	<0.005
Cu	0.02	<0.005	0.06	<0.005	0.013	0.007
Au			0.005	<0.005		
Fe	0.21	0.46	11.8	0.08	0.21	1.25
Pb	<0.005	<0.005	0.01	0.005	<0.005	<0.005
Li					0.01	0.005
Mn			0.41	<0.03	0.03	0.13
Hg	<0.0002	0.0005	<0.0002	0.0008	<0.0002	<0.0002
Mo					<0.05	<0.05
Ni			0.085	<0.005	0.018	0.016
Se	0.002	<0.002	0.010	<0.002	<0.005	0.005
Ag	<0.0005	<0.0005	0.0068		0.0006	0.0026
V					0.005	<0.005
Zn	0.04	0.067	0.06	<0.005	0.06	0.04
Nitrogen, Ammonia	<0.03	<0.03	0.09	<0.03	0.04	<0.03
Nitrogen, Nitrate	<0.10	0.12	0.16	0.015	<0.10	<0.10
Nitrogen, Nitrite			<0.01	<0.01	<0.01	<0.01
Nitrogen, Total Kjeldahl	0.14	0.22	0.10	0.84	0.737	0.187
Phosphorus, Ortho						
Phosphorus, Total	0.017	0.014	0.025	<0.01	<0.010	0.045

type with low concentrations of nutrients and metals except for iron which occasionally exceeds federal secondary drinking water standards.

Future monitoring of groundwater baseline conditions in the amendment area will involve the following wells.

GW-10	Bedrock just east of leach pad
GW-8	Alluvium in Ruby Gulch downstream of rock disposal area
BES-17	Alluvium in Hoodoo Gulch near mouth

These wells are shown on Exhibit 5-1 and are described in the monitoring section of this permit amendment (Section 5.0). These wells together with existing monitoring wells provide data on baseline groundwater quality.

#### 4.10 SURFACE WATER RESOURCES

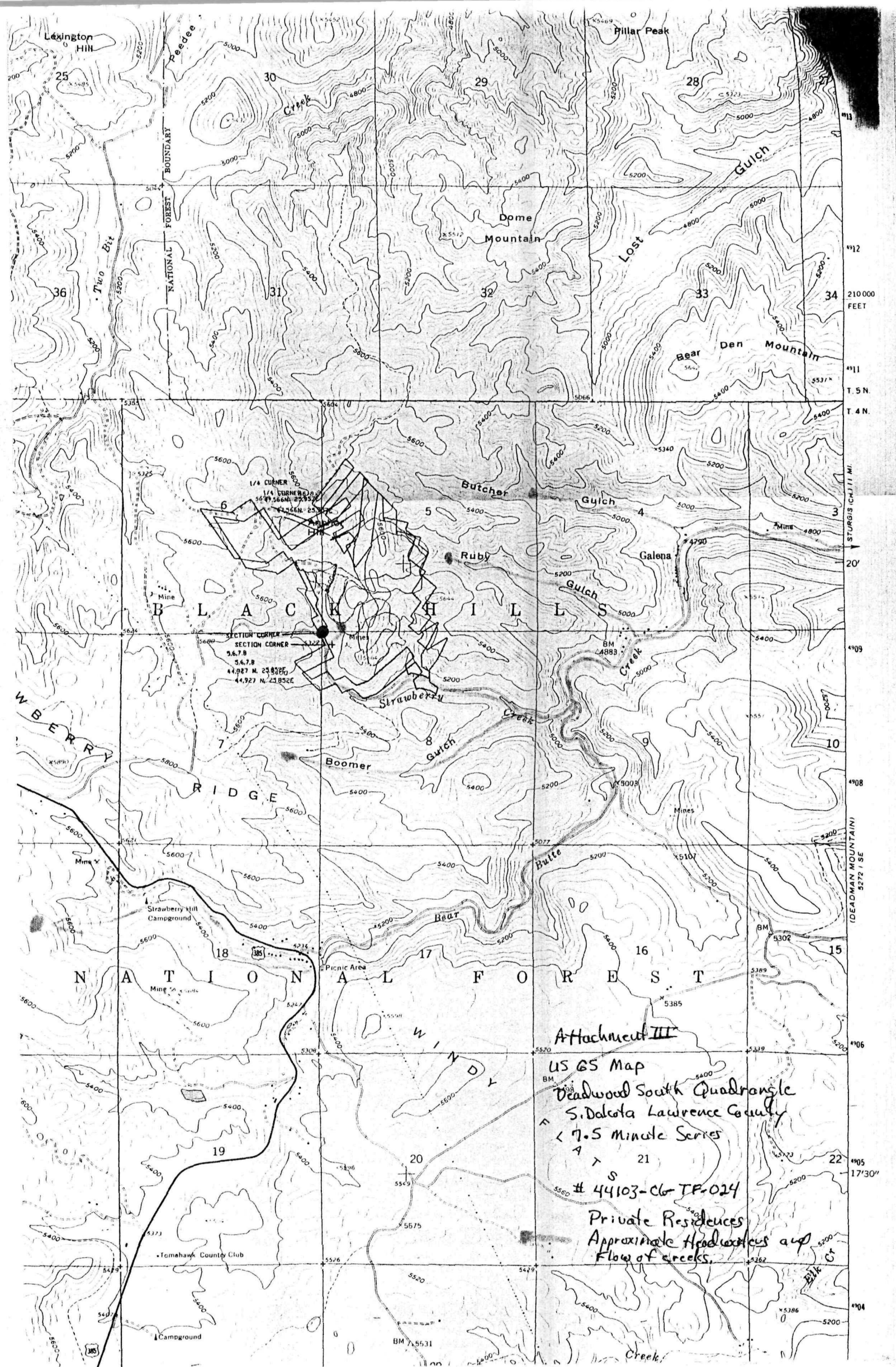
Surface water resources in the existing BMC permit area have been extensively investigated and reports were submitted to DWR as part of the Gilt Edge Project permitting process. The following are reports that describe surface water resources of the presently permitted area.

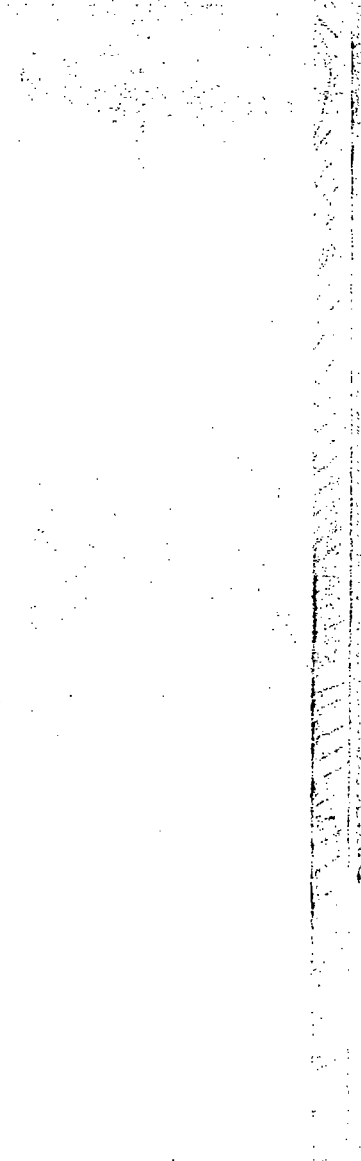
1. Surface Water Hydrology and Analysis. Gilt Edge Mine Project (October 1985)
2. Surface Water Quality Monitoring Program. Gilt Edge Project (October 1985)
3. Drainage Stabilization and Sediment Control Plan Gilt Edge Project (October 1985)

Surface water information in this permit amendment application addresses the proposed amendment area and supplements these previous reports. Surface water resource characteristics of the proposed amendment area are discussed in the following sections including the general hydrology of the study area, watershed characteristics, baseline surface water monitoring, surface water quality and flow, and general area site drainage.

#### 4.10.1 Regional Hydrology

Evaluation of the hydrologic characteristics of the project study area are based upon results of computer simulation modeling of thunderstorms (2-hr duration), general storms (24-hour duration), snowmelt and rain-on-snow, and the probable maximum precipitation (PMP) event. The Hydrologic Engineering Center's HEC-1 Flood Hydrograph Package was the model utilized for evaluating the hydrologic response of project study area watersheds to the precipitation events. Table 4-4 summarizes precipitation events used for determining hydrologic characteristics of the study area.





Attachment IV

$$1" = 200. FT$$

BROHM MINING CORPORATION  
SPILL CONTINGENCY PLAN (SCP)

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## PLANS AND SPECIFICATIONS

The following specific plans and specifications may be found in the "Submission of Plans and Specifications, January 1988", which has been previously submitted to the DWNR.

<u>Title</u>	<u>Drawing No.</u>
Appendix I	
G.A. Pond Facilities -- Plans	20-415-01
G.A. Pond Facilities -- Sections	20-415-02
Appendix VI	
Mining Contractors Storage Facility (Oils)	Sheets 1, 2 & 3

## TECHNICAL MEMORANDA

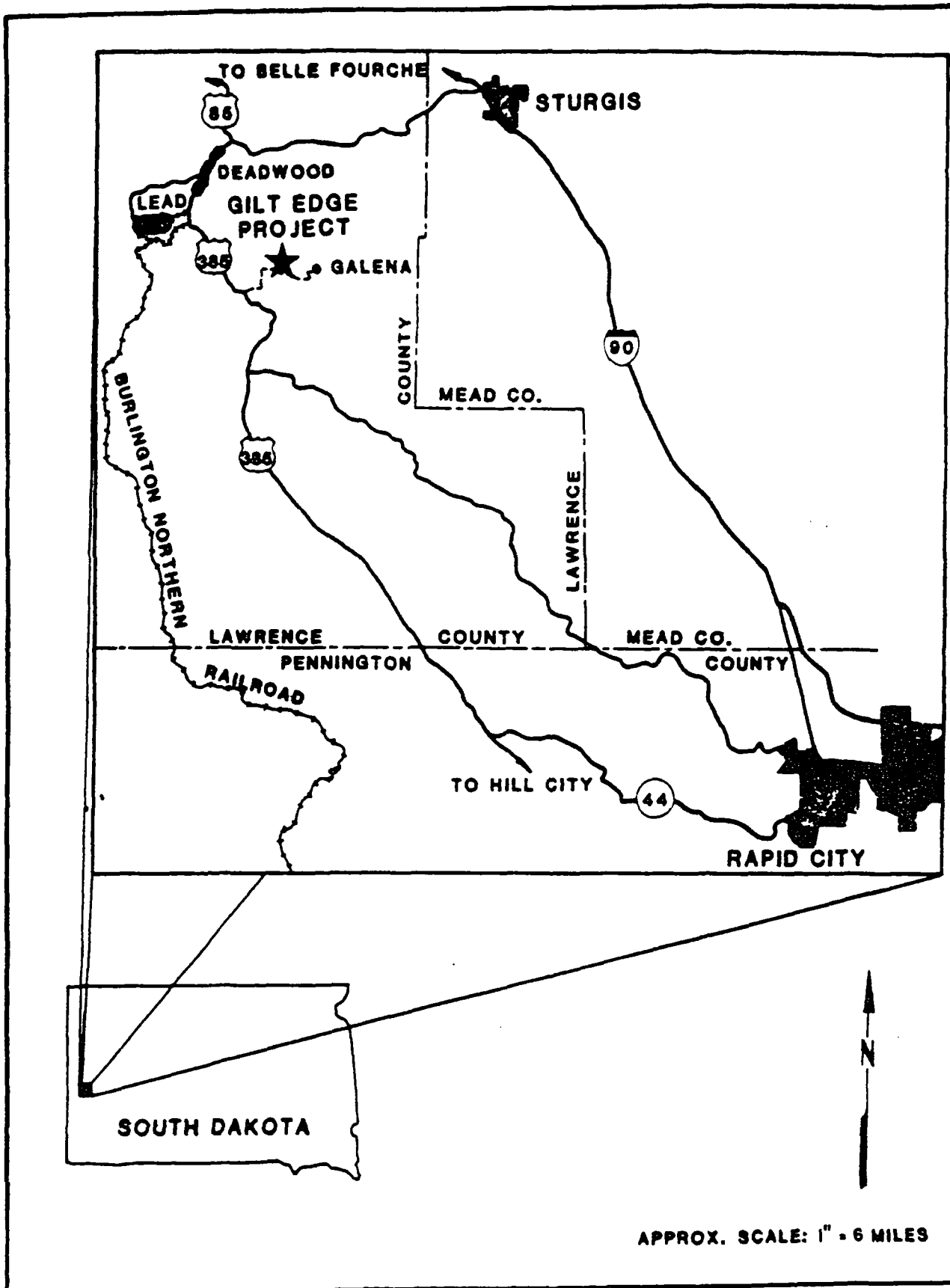
### TECHNICAL RESPONSE MEMORANUMS

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HAZARDOUS MATERIALS  
SPILL CONTINGENCY PLAN  
GILT EDGE MINE PROJECT

Prepared by:  
BROHM MINING CORPORATION  
for the  
GILT EDGE PROJECT  
March 1988

Submitted to:  
SOUTH DAKOTA  
DEPARTMENT OF WATER  
and  
NATURAL RESOURCES  
Brohm Mining Corporation

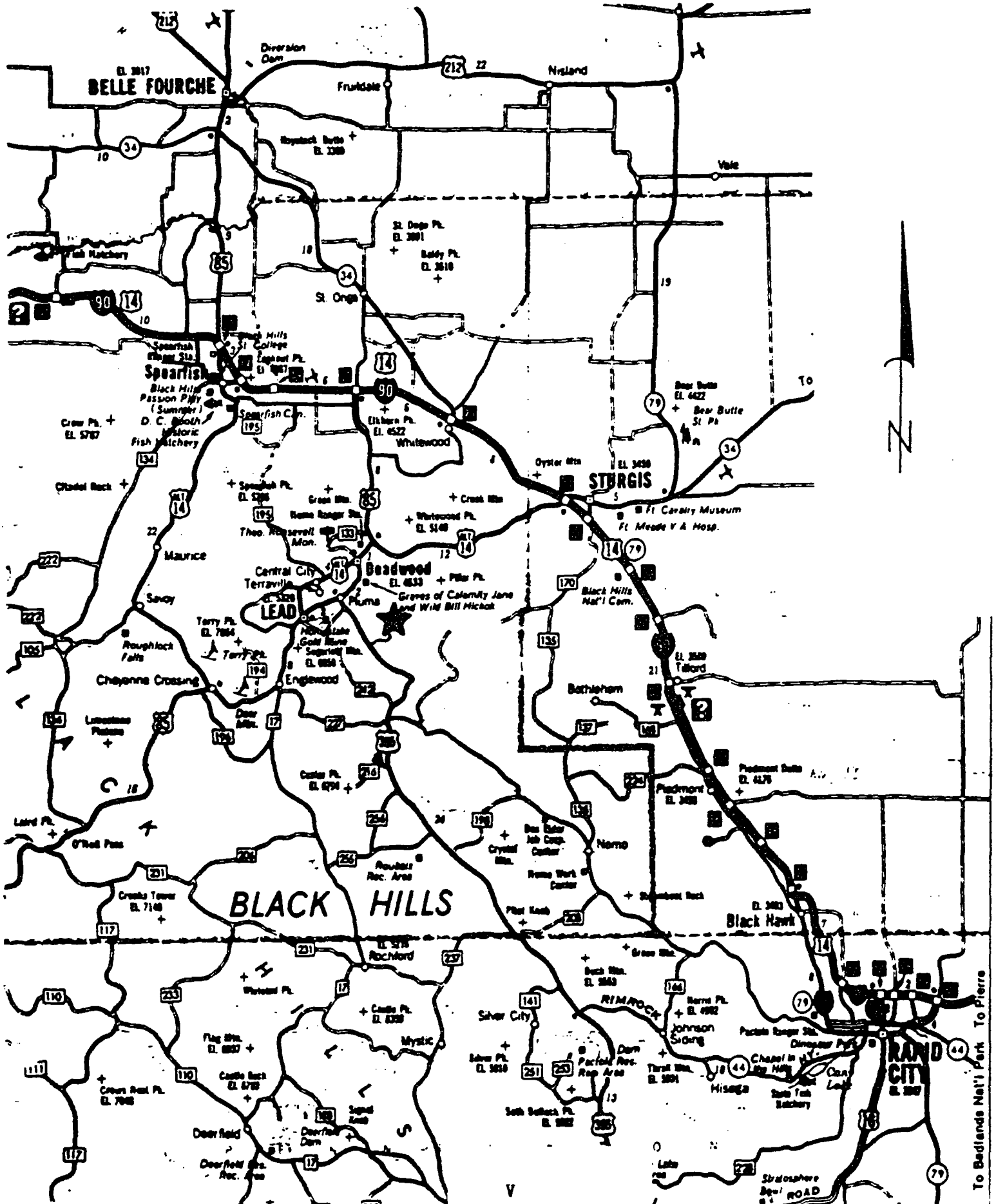


**LOCATION MAP**  
**GILT EDGE MINE PROJECT**

# BROHM MINING CORP.

P.O. Box 485, Deadwood, South Dakota 57732

## TRANSPORTATION ROUTES



## HAZARDOUS MATERIALS SPILL CONTINGENCY PLAN

### BACKGROUND

Brohm Mining Corporation (referred to hereafter as BMC), Gilt Edge Mine, a South Dakota corporation, proposes to mine and process up to 2 million tons of gold-bearing ore annually for the life of the project at their Gilt Edge property near Deadwood, South Dakota. BMC and its predecessors have been actively exploring the Gilt Edge area since 1975. This has included geologic mapping, sampling, diamond drilling, rotary drilling, metallurgical testing, and environmental studies.

During the summer of 1988, the Company proposes to operate an open pit gold mine and processing facility at the Gilt Edge property, utilizing conventional surface mining techniques and a cyanide heap leach process. Under the proposal, which is described in later sections of this document, BMC would mine an estimated 5,000,000 tons of ore and waste per year. Wasted material would be utilized in the construction of leach pads, and disposed of in waste dumps. The primary project components, as they affect this Hazardous Materials Spill Contingency Plan (SCP), are summarized below:

Mine Areas - Sunday Pit (20 acres), Dakota Maid Pit (16 acres). Processing facilities located on a 13 acre millsite.

Mining Levels - 5,000,000 tons/year of ore and waste. The mining operation would consume an estimated 250,000 gallons diesel fuel annually. This requires bulk onsite storage and significant hauling requirements.

Processing Method - A total containment closed-system cyclic cyanide heap leaching operation involving impervious pads and a special membrane liner is utilized as the processing method. The dilute sodium cyanide solution is irrigated through the pile, and drained by gravity flow to storage ponds and eventually the Merrill-Crowe zinc precipitation

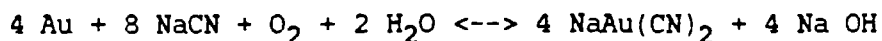
recovery plant. The presence of oxygen in the solution is subjected to a vacuum in the deaeration tower to the oxygen free solution and the gold is precipitated from the solution. Lead nitrate in solution at approximately 1-2 ppm is added to enhance the precipitation of the gold. The lead is precipitated by the zinc, and helps collect the precipitated gold. This slurry is then pumped to filtration presses for removal of the gold bearing solids. A hydrogen peroxide treatment system is utilized to reduce the free cyanide concentrations. Sodium cyanide is considered a hazardous material, and is subject to special waste treatment and disposal considerations. This includes the operation of a total containment leaching system.

Project Area Traffic - Access to the site is via Strawberry Hill Road (FDR-170). There will be about two trips per month for chemicals and four trips per month for diesel fuel.

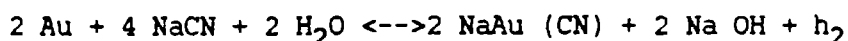
#### DESCRIPTION OF THE CYANIDATION PROCESS

Cyanide and compounds of cyanide are used extensively in industry and manufacturing processes. Cyanides occur in effluents from gas works and coke ovens, from metal cleaning and electroplating processes, and from chemical industries. They are also used for case hardening steel, and to make other chemicals which lead to the manufacturing of such diverse products as drugs and vitamins, and polymers and catalysts.

Another principal use of cyanide involves extracting gold and silver from low grade ores. The basic principle of this process, CYANIDATION, is that weak alkaline cyanide solutions have a preferential dissolving action on gold and silver contained in an ore. The two-step reaction generally accepted as representing the dissolution of gold by cyanide solution is:



(Elsner's Equation)



(Jamin's Equation)

Most of the gold dissolves via the second reaction. The gold dissolution rate is dependent on the concentration of sodium cyanide (NaCN), the type of material being leached, and the alkalinity of the solution, the optimum pH being 10.3. An adequate supply of oxygen must also be present in the cyanide solution throughout the reaction period.

Existing U.S. Department of Transportation regulations concerning hazardous materials transport relate primarily to carriers. Cyanide is the only hazardous substance used at Gilt Edge that is regulated under Title III of SARA. The reportable on site quantity is 100 lb. and the reportable spill quantity is 10 lbs. BMC has designated this aspect of the operation high priority, and accordingly developed a management framework for the handling of hazardous materials and petroleum products.

On January 10, 1974 the EPA began implementing Federal Oil Spill Prevention Regulations designed to help prevent spills from non-transportation-related oil storage facilities. The regulation applicablility is summarized below:

Applicable to all non-transportation related onshore and offshore facilities, except those facilities which have:

- 1)...either a total above ground storage 1,320 gallons or less, provided no single container is larger than 660 gallons or
- 2)...a buried storage capacity of 42,000 gallons of less, or
- 3)...a location such that it would not be reasonable to

Applicable facilities are required to prepare Spill Prevention Control Countermeasure Plans (SPCCP) within six months after the facility becomes operational and implemented as soon as possible but in no case later than one year after start-up. The plan must include the following information and adhere to the guidelines found in 40 CFR 112.7:

- Name of facility;
- Name of owner(s) and operator(s);
- Location of facility;
- Date and year of initial facility operation;
- Maximum storage or handling capacity of the facility and normal daily throughput;
- Description of facility including maps, flow diagrams, and topography;
- Complete copy of spill event action program;
- Causes of any spill or failures;
- Corrective actions to be taken in the event of a spill;
- Additional measures contemplated to minimize reoccurrence;
- Such other information as may be required by the Administrator (as pertinent to the plan or spill event).

The information included in this initial plan is designed to provide an interim program for the management (transport and storage) of fuel and hazardous materials for the project. At this time, SPCCP requirements do not apply to the project. Total onsite diesel fuel storage which will be maintained by BMC at the plant site is estimated at 17,000 gallons.

## RESOURCE CONSERVATION AND RECOVERY ACT (RCRA)

Under provisions of the Resource Conservation and Recover Act of 1976 (P.L. 94-580), EPA is responsible for the development of regulations and guidelines for disposal and management of all solid wastes, including mining wastes. While mining wastes are temporarily exempted from these regulations, EPA is currently conducting detailed studies on the adverse effects on the environment of soil wastes from active and abandoned surface and underground mines. The SCP includes provisions to meet future RCRA requirements, should they be determined to apply.

## PURPOSE OF HAZARDOUS MATERIALS SPILL CONTINGENCY PLAN

The primary purpose of the SCP, as developed by BMC, is to outline basic management guidelines and provide an emergency operational handbook to be utilized in the event that an accidental spill event occurs either in transport to the site, or during disposal of cyanidation wastewater and/or processed ore or tailing pond sediment from the metals recovery operation. This plan involves on-site spill response training and development of minimum needs equipment and facilities, proven cyanide waste treatment and spill response programs.

The BMC SCP addresses general safeguards for the Operator and transporters of oil/petroleum products related to spill prevention and emergency response to be implemented during the next 12 months of the planned 10-year operating life. It should be emphasized that the SCP is subject to amendment, as operating experience provides "better ways" to accomplish operational and management objectives. Cooperative (inter-company) programming is also encouraged to maximize response times and procedures, wherever possible.

In summary, the plan presented in the sections which follow focuses on four primary categories of operational requirements which include:

1. Transportation requirements for fuel and hazardous materials.
2. Spill situations and an emergency implementation plan.
3. Personal safety, first aid and medical treatment.
4. End-of-mine waste treatment and shutdown.

The SCP also keys on the concept of minimizing the amounts of chemical use and waste generated at the site, and concentrating it wherever possible, to reduce handling, transportation and disposal costs. The plan is operations-oriented, and should be updated on an as needed basis as a priority element of the overall operational program.

#### MANAGEMENT GOALS AND OBJECTIVES

BMC has developed basic guidelines for the project which should be effective in establishing controls for the prevention of spill incidents. It is the company's philosophy that through advanced planning most incidents can be avoided. This will be accomplished by using sound engineering techniques in the basic design of the project, with detailed planning for materials handling procedures and effective training of employees and contractors incorporated into the daily operation routine at the site.

The primary objectives of this plan are to:

1. Reduce the potential for accidental spills and environmental contamination through a well-defined materials management program;
2. Provide the operating facility with the necessary information to properly respond to a hazardous material or oil spill event;

3. Clearly define line of function responsibilities for a spill situation; and
4. Provide a response and clean-up program which minimizes environmental impacts.

Although the plan primarily covers what to do after a spill occurs, spill prevention is the principal goal of all involved parties. The vast majority of spills, both small and large are caused by human error. These errors can be avoided through the exercise of good judgement. Preventive measures not only provide for protection of the environment, but protect the Operator from legal liability.

In the unlikely event that an incident would occur, the impacts will be mitigated by the availability of well-trained emergency response team. The Operator will develop this capability prior to the start up of on-site activity. The response team will be comprised of BMC staff, supplier representatives, and the local law enforcement personnel and regulatory agency representatives.

The primary thrust of the initial "action" plan, which is presented later in this manual, is generally directed at a 4-phased response approach. The actions to be taken by BMC during the phases are described in separate "Technical Response Memorandums". These phases can be summarized as follows:

- Phase I - Discovery (monitoring) and notification;
- Phase II - Evaluation and initiation of action;
- Phase III - Containment and countermeasure; and
- Phase IV - Clean-up, mitigation and disposal, and documentation.

## DEFINITIONS

For the general purpose of the SCP which is presented in this manual the following definitions apply:

1. Spill - For the purposes of a general definition, a spill means any discharge of hazardous material, "special waste", or oil into or upon waters of the State of South Dakota or to a location which threatens the public health, environment, or waters of the State. Technical Response Memorandum No. 5 provides a detailed description of these events.
2. Hazardous Material - Any waste or combination of wastes which poses a substantial present or potential hazard to human health or living organisms because such wastes are toxic, lethal, nondegradable, persistent in nature, biologically magnified, or otherwise cause or tend to cause detrimental cumulative effects; or as defined by RCRA.
3. Special Waste Material - All hazardous wastes as defined by RCRA, and any other waste which for a specific reason or combination of reasons requires some special concern or consideration which causes it to be excluded from the conventional practice of solid waste management.
4. Oil - Oil means oil of any kind or any form, but not limited to petroleum, diesel fuel, gasoline, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil.
5. Emergency Team Coordinator - Designated individual responsible for directing overall emergency response activities, and completing required documentation.
6. Emergency Response Team (ERT) - Core group comprised of one representative each from the Operator, County Civil Defense Coordinator, and the chemical vendor responsible for directing individual emergency activities for the respective groups in the event that a spill occurs.
7. Public Waters of Waters of the State - Included lakes, ponds, impounding reservoirs, springs, wells, rivers, streams, creeks, marshes, wetlands within the territorial limits of the State of South Dakota and all other bodies of surface or underground waters, natural or artificial, public or private, which are wholly or partially within or bordering the State or within its jurisdiction.
8. Corrective Action Program - Program that prevents hazardous constituents from exceeding their respective concentration limits at the compliance point by removing the wastes or treating them in place.
9. Point(s) of Compliance - Specified point(s) or location(s) at which the pre-established standard must not be exceeded.

10. Point(s) of Containment - Location(s) in a streamcourse where, due to access, type of flow, gradient, existence of natural barriers, or other situations, the spill could be more easily contained (these points will be inventoried and mapped by the Operator on an annual basis).

#### SUMMARY OF CHEMICAL FACILITIES AND USES AT THE PROJECT SITE

Three primary special reagents will be utilized in relatively large proportions in the Gilt Edge operation. Special wastes, for the purposes of this plan, are defined as: "any hazardous wastes identified by the EPA; or any other waste which for a specific reason or combination of reasons, requires special concern or consideration which causes it to be excluded from the conventional practice of solid waste control." Special wastes are excluded from conventional disposal practices because of toxicity, flammability, corrosiveness or potential hazard. At Gilt Edge these include:

- sodium cyanide (NaCN)
- zinc dust
- cement

Dry sodium cyanide briquettes will be mixed directly with the process solutions using a small belt feeder which feeds the briquettes into a sump. This sump is equipped with a punched plate divider to retain the cyanide until it dissolves. Process solution flows into the same area of the sump and dissolves the cyanide as required by the process.

A preliminary estimate of the yearly consumption of these chemicals and other principal reagents for the operation is shown in Table 1. These figures are based upon estimated 1988 operating needs, and will be subject to modifications as a result of long-term operating procedures and testing.

## TRANSPORT AND STORAGE

A section in the warehouse will provide for safe dry storage of some chemicals at the plant site. Zinc dust will be transported in 100 lb. cans and transferred to a small hopper prior to use in the plant. Sodium cyanide is transported in re-usable FLO-BIN containers and stored outside on a concrete pad. Typical solution strengths for cyanide application vary from 0.005% to 0.05% sodium cyanide. Sodium cyanide usage is estimated at approximately 0.5 lbs/ton for ore treatment, or approximately 3500 lbs/day. Annual consumption is estimated at 1 million pounds. Additionally, cement consumption associated with the agglomeration process and alkalinity control is estimated at 5 lbs/ton (7.0 million lbs/yr). Cement will be delivered in bulk tankers and stored in a 100 ton silo. Amounts of calcium hypochlorite (estimated 10,000 pounds) will also be stored on site for emergency use in neutralizing potential accidental spills.

Liquid caustic soda, if required, will be handled in drums. All chemicals will be kept in their shipping containers until they are used.

All chemicals will be shipped to the Gilt Edge location in 25-ton lots. Chemicals will be transported by truck, following the same primary route now in use when similar deliveries are made to existing mines in the area. At the junction of Hwy 385 and Hwy 14, the trucks will turn south and proceed along Hwy 385 until reaching the mine access road FDR 170. Chemicals will be stored in a designated warehouse, specially

signed and monitored (security) by BMC personnel. Additional information on transportation requirements and related safeguards is presented later in this report.

Safety precautions, first aid and medical treatment related to the transportation, storage, use and disposal of special chemicals and petroleum products are discussed in a section which follows. Primary emphasis is directed to procedures for dealing with accidental spill situations involving special chemicals. Procedures for treatment of processed ore and process washwater and neutralization solution are handled elsewhere in this document.

**TABLE 1**  
**ESTIMATED YEARLY CONSUMPTION AND STORAGE REQUIREMENTS**  
**FOR CHEMICAL REAGENTS, GILT EDGE PROJECT**

Chemical	Lbs/Wk	Estimated Hauling Requirements Truck Loads/Yr (25 tons)
Sodium Cyanide (NaCN)	17,500	20
Zinc	600	1/2
Diatomaceous Earth	2,000	1
Calcium Hypochlorite	emergency only	1/2
Silica Sand & Fluxes	200-400	1/2
Cement	25,000*	140
Hydrogen Peroxide	4,800 gal.	63 (4,000 gal./load)
*Pounds/day		

**Chemical Storage Requirements:**

NaCN - 40,000 lbs	Plans & Specs
Cement - 100 tons	
Calcium Hypochlorite (HTH) - 10,000 lbs	
Hydrogen Peroxide - 7,000 gal.	

**Petroleum Storage Requirements for BMC, Gilt Edge Mine**

Propane - 1 - 10,000 gal. tank (above ground)	Plans & Specs
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**Mining Operation Storage Estimate:**

Plans & Specs

Diesel - 1 - 17,000 gal. tank (above ground)  
 Unleaded - 1 - 2,000 gal. tank (above ground)  
 Oil - 1 - 5,000 gal. drop trailer (above ground)

## PROPOSED CN TREATMENT PROCESS

Options for treating limited quantities of process solution and leached ore are presently being studied by the Company. This would potentially include neutralization of excess solutions and spent ore. At this time, it appears that an oxidation process such as hydrogen peroxide ( $H_2O_2$ ) or chlorine osmosis (RO) will be utilized at the site.

## FUEL USE AND STORAGE

The requirements of Part 112-Oil Pollution Prevention of the Spill Prevention Control and Countermeasure Plan (SPCCP) and their applicability to the Gilt Edge operation were discussed earlier in this plan. While a formal SPCCP may be finalized after all facilities siting and analysis has been completed by the Operator (6 months after the facility becomes operational), the interim need for provisions to handle potential oil and diesel fuel spills at the plant site is recognized.

Annual fuel requirements for the actual mining operation (mining, waste and tailing disposal) are approximately 250,000 gallons.

Key management considerations in the BMC SCP with respect to oil and petroleum products transport and storage involve:

- Proximity of the operation and main access routes to Bear Butte Creek and Strawberry Creek.
- Onsite spill potential, drainage considerations and the capability of providing an adequate level of safeguards for the operation given the location.
- Emergency containment, cleanup and disposal problems related to the remote location and access of the project.

- Personnel training needs.

Specific procedures and responses for coping with spill incidents of oil and other petroleum products are outlined in detail later in Technical Response Memoranda. These address both above ground and underground situations, and also include immediate response and cleanup and restoration practices. They represent the "operating policy" with regard to those actions which will be implemented by the Operator during the 1988 season and ongoing operation as standard operating procedure, as well as practices to be employed during an actual spill event.

#### INTERIM RESPONSE PROGRAM FOR EMERGENCY SITUATIONS

This section provides a response-oriented summary of facilities and procedures which would be involved in an accidental spill situation. The discussion addresses potential sodium cyanide and other chemical and oil spill events. The emphasis is on preventative and clean-up procedures and an administrative system for clean-up program, including evaluation of performance in the spill situation and recommendations for future actions.

Three primary areas are addressed:

1. prevention/maintenance (routine procedures and safeguards);
2. emergency action program; and
3. response review and plan update system.

An "operating guidelines" approach is utilized to provide a procedural approach for preventative and response considerations. The guidelines outlined in this section will essentially constitute a list of actions to be followed in routine and emergency response operation of the facility. Technical Response Memoranda identifying specific actions to be taken during and after spill events, as well as inspection and sign-off procedures related to clean-up activities. These procedures comprise the response review and plan update section of the program.

This discussion addresses specific installation, operational and maintenance activities which will be included as standard operating procedures for the Gilt Edge facility. The guidelines outline major preventative, response and future training programs to be implemented by the Company. This will ensure that the primary objective of preventing chemical or petroleum spill situations which would endanger human life and/or contaminate the environment is achieved through the plan.

#### Operating Guidelines

1. All members of the Emergency Response Team (ERT) will be issued a personal copy by the company and be responsible for annual review of applicable sections of the Hazardous Materials Spill Contingency Plan (SCP).
2. BMC will be responsible for presenting a hazardous materials management short-course at the beginning of each season to selected personnel (ERT members) at the project site. Subjects to be covered by the course include:
  - a. Emergency situation evaluation;
  - b. Hazard identification;
  - c. Rescue techniques;
  - d. First Aid;
  - e. Notification requirements;
  - f. Equipment handling;
  - g. Containment techniques;

- h. Clean-up procedures;
- i. Monitoring requirements;
- j. Response evaluation.

- 3. All shipping of hazardous materials to the site will be by an approved transport company on a regular schedule utilizing a pre-determined route. All unloading and transfer will be by trained personnel. All special chemicals (see definition) will be hauled in closed vehicles.
- 4. All storage of hazardous materials will be in a designated storage area (dry, well-ventilated, with security maintained).
- 5. The storage facility and mixing sump (NaCN) will be periodically inspected by BMC personnel to insure integrity.
- 6. Adequate drainage control will be provided at the mill site and chemical and petroleum storage facilities to reduce the potential for discharge of CN-containing solution or other hazardous chemicals or petroleum products into public waters.
- 7. The liability related to transport of petroleum products to the Gilt Edge Project site will be assumed by the supplier. All transport of petroleum products (diesel fuel, oil unleaded gasoline, propane) to the site will be via approved access corridors.
- 8. All bulk diesel fuel or other petroleum storage facilities at the site will be routinely inspected (monthly) and recorded by a designated company representative. This will include visual inspection for leaks, signs of excessive wear, and proper function of equipment. Monthly inspections will also be conducted to determine accumulation of oil within dike areas, and condition of tank bracing and foundations. Needed repairs will be reported to the BMC project manager for appropriate action.
- 9. Above-ground storage tanks for petroleum products will be enclosed by catchment basins equipped with product recovery devices and storm water drainage control mechanisms.
- 10. No buried petroleum product tanks are proposed.
- 11. Storage facilities for hazardous materials will be built of materials compatible with product being stored.
- 12. Storage facilities for hazardous materials will meet the design criteria for the product being stored.
- 13. Storage facilities will be designed for safe off-loading capability.

14. Storage tanks will have identification markings to indicate product contained.
15. Initially (during the 1988 and 1989 seasons), needs for minimum spill containment and cleanup equipment will be determined and the equipment purchased. This will include both maintenance and emergency supplies, which should be segregated. Once the operation is at full scale, minimum equipment needs will be supplemented as necessary to provide for a permanent emergency response system.
16. Onsite equipment and supplies, potentially including bagged absorbent, booms, and tools will be readily available and regulations posted conspicuously regarding reporting spills and emergency procedures. These supplies and equipment will also be inventoried on a regular basis by the onsite Spill Response Coordinator.
17. Each operating season (after snowmelt and peak runoff), the Operator will inspect the main access corridors and inventory potential points of containment (see definition). These locations, which would be utilized for temporary containment sites in an emergency spill situation, will be sited and mapped for in-the-field response activities by members of the Emergency Response Team, and chemical and petroleum suppliers.
18. Other mining companies in Lawrence County will be contacted, and equipment lists and inventories, locations, and points of compliance reviewed to determine the potential for providing cooperative emergency response programs, where applicable.
19. Once the operation is at full scale, the Operator will conduct annual Emergency Response Short Courses for selected personnel to simulate spill and cleanup situations.

Due to the location of the project, BMC will be prepared to deal with any off-site incidents that might occur. While suppliers and/or transporters are ultimately responsible for hazardous materials in transit to the project, the Company is committed to provide emergency response capabilities to assist in any transportation incidents involving its project or other projects in the area.

#### EMERGENCY ACTION PROGRAM

This section focuses on emergency requirements for above ground spills,

and essentially outlines the spill event response procedures. The discussion includes both response and reporting requirements. the information is presented in the form of eight Technical Response Memoranda, to facilitate an action-oriented program.

For the purposes of this discussion, above ground spills are those spills with the source located above ground. However, the spill may flow to or towards a water course or sink into the ground, depending on the material involved. In general, the primary objectives in order of priority to be met in an above ground situation include:

- taking the immediate steps necessary for safeguarding life and property;
- determining the source and trying to stop the flow (if possible);
- beginning temporary containment procedures; and
- notifying the proper officials.

When a spill situation occurs, the emergency procedures which follow have been established to ameliorate the situation. They are designed to provide for response from trained personnel. If special handling is required, these procedures must be followed. Evacuation may be required and following notification, persons involved in reporting are instructed to leave the situation alone, if not specially trained in spill prevention and control.

TECHNICAL RESPONSE MEMORANDUM NO.1 - GENERAL REPORTING PROCEDURES FOR SPILL EVENT

This memorandum provides information on emergency response procedures for a spill event. Priority is directed to local (onsite) response, and immediate steps necessary for safeguarding life and property. Medical assistance for injured or contaminated or exposed individuals should be the first priority concern. The ERT Coordinator maintains overall responsibility for directing the response effort to maximize effectiveness.

PURPOSE: The purpose of this memorandum is to clearly identify personnel involved in the Gilt Edge Project who will be notified, and establish reporting and operational procedures in the event of a hazardous material accident or spill.

SITUATIONS: Three types of spill situations will be the primary responsibility of the Emergency Response Team (ERT). These include:

1. Chemical Spills - accidental spill episodes involving sodium cyanide (NaCN), chlorine, sodium hypochlorite (HTH), or other designated hazardous chemicals. This includes transport, storage and disposal.

2. Waste Treatment By-Passes or Spills - situations involving accidental by-pass and/or spill of NaCN solution in the chemical treatment process at the ore concentrate leaching circuit. This includes spill incidents associated with natural flooding.

3. Fuel Spills - incidents involving spills of diesel fuel,

gasoline and propane, including transport to the Gilt Edge facilities.

NOTIFICATION: In the event of a hazardous waste spill during normal working hours (8:00 a.m. to 5:00 p.m.), BMC, petroleum supplier, chemical supplier, mining contractor, and/or the operator involved or any other person having knowledge of the incident shall notify by the most expedient means:

ERT Coordinator

Brohm Mining Corporation (BMC)

Gilt Edge Mine

Deadwood, South Dakota 57732

Phone: (605) 578-2107

The ERT Coordinator will notify by the most expedient means either of the following:

1. Project Manager
2. Environmental Director

These individuals will be responsible for notifying other responsible or involved authorities and agency personnel, and coordinating onsite response and cleanup needs.

EMERGENCY RESPONSE TEAM:

A. To maximize incident response time and efficiency, Emergency Response Team (ERT) members shall be designated. The makeup will include one (1) representative from:

1. BMC - Environmental Director or Project Manager or their designee;  
BMC Office (605) 578-2107

2. South Dakota Spill Notification  
Division of Emergency and Disaster Service (605)773-3231;  
  
or  
Office of Water Quality (605) 773-3296;  
  
or  
Office of Surface Mining (605) 773-4201.
3. USDA-Forest Service- Nemo District Ranger;  
Office (605) 578-2744
4. South Dakota Department of Game, Fish and Parks  
Office (605) 394-2391
5. Lawrence County Sheriff's Dept.  
Office (605) 578-2230.

These individuals shall be familiar with all emergency response procedures and information presented in the SCP. The ERT team shall also be trained in recognition and handling of all hazardous materials covered in the document. The ERT will coordinate with the area medical facilities so that the local medical facilities administration can match their capabilities to the situation.

C. The ERT roster shall be periodically (at the beginning of each operating season) updated, and a letter report mailed to respective team members by the Environmental Director.

#### REPORTING PROCEDURES:

In reporting spill incidents, the following procedure should be followed:

- A. Inform that chemical spill has occurred.
- B. Provide the following information:  
  
WHO: Your name, address and telephone number.

WHAT: Type and magnitude of incident (e.g., spill to watercourse, at pad site, etc.), and any injured, contaminated or exposed persons.

WHERE: Exact location of incident.

WHEN: Time and date of incident, if known.

#### REPORT FORM:

The information surrounding the incident should be gathered as completely and accurately as possible, and carefully documented in such a manner as to provide the ERT with sufficient knowledge of the event such that an appropriate response may be made. That information should be entered on the Spill Response Form. An example of the form is included as Technical Response Memorandum No. 2 " Report Form for Accidental Chemical and Petroleum Product Releases".(pg.26)

The standard reporting requirements outlined in this memorandum are also applicable to transporters.

#### ACTION RESPONSE PROGRAM:

A. In all cases, the ERT Coordinator on duty at the project site shall have ultimate control and management responsibility to direct the response effort during a spill event. At the time of notification of a chemical or oil spill incident and on the basis of information provided, the interagency liaison shall be responsible for coordinating all necessary immediate actions as dictated by the circumstance and his evaluation of the situation.

B. After notification, the Team Coordinator or liaison contact shall advise the designated official of the South Dakota Department of Water

and Natural Resources (DW&NR). All spill reports will be made immediately. The DW&NR shall be informed of:

1. The spill occurrence.
2. Actions taken thus far.
3. Intended course of action.
4. Necessary public information releases advising of individual action.

C. In responding to a spill incident, the Team Coordinator shall take the following actions:

1. Ascertain the capability of the team to handle the incident and request additional assistance, as may be required.
2. Alert team members of necessary action.
  - a. Alerted team members will proceed to the site as directed by the Team Coordinator with required equipment and instrumentation.
  - b. At the site, team members will perform appropriate measurement and analysis and make an assessment of public health and fish and wildlife hazards.
3. Direct activities at the spill site including all reporting requirements.

D. On the basis of the assessment of public health and environmental hazard at the incident site, the Team Coordinator will direct implementation of necessary protective actions which may include:

1. Obtaining medical assistance for injured or exposed individuals from the area medical facilities.
2. Minimizing contamination source to the least hazardous condition.
3. Establish boundaries of "area affected" to prevent entry of unauthorized individuals.
4. Arrange for decontamination of exposed individuals, facilities, environmental areas.
5. Recover any lost sources of potential contamination.

6. Control downstream water use to the degree necessary.

E. On consultation with the facility management (ERT Leader) DW&NR and USDA-Forest Service, all pertinent information regarding the incident will be released to the news media by the Team Coordinator. This information will include an assessment of the incident and necessary protective action.

F. In responding to the incident, the Team Coordinator may find it necessary to request additional information from the chemical manufacturer related to cleanup procedures services. A group of chemical manufacturers have formed an information network known as CHEMTREC. The CHEMTREC system is an operational information system which may assist in any transportation emergency involving chemicals. If a shipment of chemicals is involved in an accident or emergency anywhere in the continental United States, CHEMTREC will provide direct around the clock (24-hr) information or assistance. The emergency telephone number is: (800) 424-9300

CHEMTREC (Chemical Transportation Emergency Center)

Manufacturing Chemist Association (MCA)

Washington, D.C.

An information specialist will request the following information from the caller:

- Name and location of caller
- Name of shipper
- The product
- Shipping point and destination

- Description of problem
- Nature of any injuries
- Weather conditions
- Proximity to populated areas

CHEMTREC should be considered a mutual aid program only. The organization does not seek to displace organized onsite programs. Therefore, the adopted BMC SCP will serve as the primary emergency response procedures.

G. Region VIII (Denver) EPA has also recently set up a system for notification of environmental emergencies. Emergencies include: oil spills, hazardous chemical spills, sewage treatment plant breakdowns, accidents involving pesticides and natural disasters affecting water supplies and sewage treatment. The Team Coordinator may elect to request assistance from this source. The EPA emergency response number is: (303) 293-1788

The West River Poison Center in Rapid City, South Dakota may also be called upon for assistance. Their number is: (605) 341-3333.

TECHNICAL RESPONSE MEMORANDUM #2

GILT EDGE MINING PROJECT

REPORT FORM FOR

ACCIDENTAL CHEMICAL AND PETROLEUM PRODUCT RELEASES

Date of Incident: \_\_\_\_\_ Date and Time report received: \_\_\_\_\_ A.M./P.M.

Person Reporting Incident \_\_\_\_\_ Title \_\_\_\_\_

Address: \_\_\_\_\_ Telephone \_\_\_\_\_

Vehicle Identification \_\_\_\_\_ Carrier Name \_\_\_\_\_

Description of Incident (Attach figure showing locations of spill,  
containment facilities, neutralization sites, and monitoring sites)

Where \_\_\_\_\_ When \_\_\_\_\_ A.M./P.M.

Weather \_\_\_\_\_

Nearest Dwelling \_\_\_\_\_

Nearest Surface Water \_\_\_\_\_ Distance \_\_\_\_\_

Nearest Population Center \_\_\_\_\_

Extent of Human Injuries, Exposure, Hazard \_\_\_\_\_

Extent of Environmental Exposure, Hazard (description) \_\_\_\_\_

Materials Involved (concentration, type of spill) \_\_\_\_\_

Type of container(s) \_\_\_\_\_ Bottle \_\_\_\_\_ Barrel \_\_\_\_\_ Bag \_\_\_\_\_ Other \_\_\_\_\_

Quantity \_\_\_\_\_ Gallons \_\_\_\_\_ Barrels \_\_\_\_\_ Pounds \_\_\_\_\_ Other \_\_\_\_\_

Recovery Measures Taken \_\_\_\_\_

Chemical Procedures (description)\_\_\_\_\_

\_\_\_\_\_

Treatment and Neutralization Measures Taken\_\_\_\_\_

\_\_\_\_\_

Containment Measures Taken\_\_\_\_\_

Disposal Procedures (description)\_\_\_\_\_

\_\_\_\_\_Location of Disposal Site\_\_\_\_\_

Further Mitigation needed\_\_\_\_\_Yes\_\_\_\_\_No

Monitoring and Sample Results (Attach laboratory analyses)\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Evaluation of Response Procedures\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Recommendations for Spill Response Update\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Recommendations to Prevent Spill Recurrence\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature of Preparer(s)

Title

Date

### TECHNICAL RESPONSE MEMORANDUM NO.3 - SPILL MONITORING PROCEDURES

Reporting requirements were developed to provide a detailed record of actions taken in response to a spill event. Environmental sampling procedures are also outlined. These procedures comply with recognized Standard Methods, and must be strictly adhered to in responding to spill situation.

PURPOSE: The purpose of this memorandum is to outline accepted logging and sampling procedures for a spill situation.

#### PROCEDURES;

- A. When a spill situation occurs, all events and data should be carefully logged.
- B. Records will be kept by the Team Coordinator or designee in a special log book. All observations and data will be recorded with respect to times of occurrence and personnel involved.
- C. Estimate flow rate of floating material. Use camera liberally for data record (if available).
- D. If sampling is indicated, it should be representative of the problem. This would usually involve:
  - Sampling upstream of the problem for control.
  - Sampling in the problem area where the material is known to exist.
  - Obtaining a concentrated sample of the material involved remembering that it may be toxic.
  - Obtaining a sample downstream where the suspected problem exists.
  - Obtaining a sample as far downstream as the "area of impact" appears to occur.
  - Documenting the details of terrain, water velocity, water color, odor, bank and bottom characteristics, dead fish, aquatic life changes, etc.

All sampling should be performed in compliance with accepted procedures. The Team Coordinator should be aware of these procedures, and have appropriate sampling equipment available for transport to spill location.

E. Sample containers should be marked according to type of sample, location, time, date, preservatives, and any other pertinent information.

F. Usually the samples should be iced, and shipped to the laboratory as expeditiously as possible.

G. Data sheets and analysis instructions must accompany the samples.

All monitoring and testing will be directed by the Team Coordinator or liaison contact (location and communication requirements will dictate), in conformance with the procedures outlined herein. The Team Coordinator will also alert the laboratory so it can prepare for the testing needed.

#### TECHNICAL RESPONSE MEMORANDUM NO.4 - CLEANUP, MITIGATION, AND DISPOSAL

This memorandum outlines specific emergency actions for responding to spill and fire situations. These are for spills, fires or explosions, and groundwater contamination incidents. In the event of a major spill event, a formal corrective action program may be required. This would involve monitoring requirements and a specified compliance period.

PURPOSE: The purpose of this memorandum is to identify general cleanup and mitigation/disposal procedures and requirements. More specific actions may be developed by the ERT in the field to suit specific situations.

#### PROCEDURES:

A. Cleanup should begin as soon as possible after the material is successfully contained and its danger evaluated. Initially, access to the area should be blocked off and posted.

Fast action is essential. Oil, for example, may change in character with exposure to air, water and sunlight--its cleanup may become more difficult with time. Cleanup of NaCN, on the other hand, may require more exposure to natural conditions. Professional cleanup contractors may be required.

B. Oil spills may be thick enough to be pumped off. Skimmers may be utilized to pump the material to storage facilities. Sorbents such as straw, hay, sawdust, or special sorbent cloth may also be utilized to absorb or adsorb oil.

Small liquid spills may be cleaned up by dumping spill contents in 30-55 gallon drums and sealing. Drums containing NaCN should be treated with an appropriate mixture of HTH, and reintroduced to the mixing system or hauled from the site for disposal as required. Dry spills should be swept up into a suitable container promptly to minimize exposure to people and the environment. The material should be kept dry. If raining, cover the spill to reduce the production and runoff of sodium cyanide solution.

C. Heavily contaminated material should be disposed of by an approved method (i.e. hauled to an approved waste disposal facility).

D. Chemical residue or oil trapped along stream banks must be removed entirely or the next high water will remove it with damaging effects downstream. Grounds or ditch banks contaminated by runoff water should be scraped and the materials disposed of with the rest of the debris.

E. Remedial reconstruction or stream bank work may be required with accompanying permit requirements.

F. "Levels of compliance" and "compliance points" for both surface and groundwater sources should be predetermined by the Company and involved agencies.

G. Groundwater wells (if available) should be monitored to detect potential contamination. Baseline ("pre-spill") information on seasonal groundwater level fluctuations and quality should also be collected by the operator.

H. Precautions should be taken for certain chemicals and oil products which may be highly flammable and/or explosive. Calcium hypochlorite,

for example, will spontaneously ignite and may explode if contaminated by organic substance. This chemical should not be mixed indoors. Oils will also burn readily and containers may rupture or explode when overheated.

I. Firefighting runoff may be highly toxic. All runoff from a fire situation should be directed to an area where containment and treatment can be provided.

J. In case of a chemical fire:

- Wear protective clothing over the entire body and have self-contained breathing equipment available on scene.
- Be checked for poisoning symptoms during the fire. These include headaches, giddiness, blurred vision, coughing, tightness of chest. Do not work downwind from the fire.
- Be checked for possible inhalation poisoning immediately after getting the fire under control.
- Avoid using larger volumes of water than necessary so that potentially toxic runoff can be kept to a minimum.

K. For cleanup and disposal after a fire:

- Cover the toxic chemical with double its volume of lime or attaclay. Neutralize runoff water and pump into tanker trucks if available.
- Be sure all cleanup personnel understand potential dangers of spilled material.
- Use mechanized loaders, dump trucks, etc. to minimize human contact.

L. A final inspection of all cleanup and mitigation/disposal activities will be made by the ERT Team Coordinator and responsible officials of BMC and the Regulatory Agencies.

#### TECHNICAL RESPONSE MEMORANDUM NO.5 - SPILL EVENT DEFINITION

Definitions presented in this discussion are based on immediate toxicity considerations, persistence and permanence with regard to human exposure and environmental contamination. Potential for health risks caused by human exposure is considered the priority concern. Proximity to watercourses and potential damage to fish and wildlife are a secondary level of concern.

PURPOSE: The purpose of this memorandum is to establish a set of accepted definitions of a spill event, contamination and compliance, such that corrective actions of the SCP can be implemented to facilitate containment and cleanup. Corrective action measures described in the SCP may be terminated once the concentrations of hazardous constituents are reduced below their respective concentration limits.

DEFINITIONS: A spill event is defined as any discharge of hazardous material, "special waste", or oil into or upon waters of the State of South Dakota or to a location which threatens the public health, environment, or waters of the State. This would include accidental spills (trucking, mixing tank, storage area). Leaks from the heap leach system resulting in a discharge to the environment outside the total containment system are also included in the definition.

For the purpose of this discussion, a two-level discretionary and mandatory approach would be utilized. Once the threshold for discretionary response is exceeded, a mandatory "Level 2" set of actions involving potential to initiate closure procedure (only applies at major spills, imminent human health hazard) and a cleanup program

would be put into effect. Corrective actions will continue until the spill material is at or below a concentration equivalent to background concentration.

Level 1, Minor Spill Event, Discretionary Spill Cleanup-involves a minor spill event resulting in the discharge of a hazardous material or "special waste" into surface water or groundwater at a concentration exceeding the recognized state and/or Federal standards, but where no imminent hazard to human health and safety or the environment is apparent. For cyanide-containing wastes, this definition shall mean a surface discharge of less than 0.75 mg/l as CN (based on drinking water standards)- and instream concentration of less than 0.5 mg/l as CN-present in the surface waste or groundwater system to which the spill occurred, as measured at the point of compliance. A minor oil spill is defined as any discharge to waters of the State of South Dakota exceeding 55 gallons, but less than 100 gallons.

These definitions shall take into account flow conditions, dilution factor, mixing zone and other physical variables, as appropriate. The designated ERT Coordinator shall be responsible for and have the authority to determine a Level 1 situation. The requirement for preparation of a formal cleanup plan by the Operator and submittal to the South Dakota Department of Water and Natural Resources and/or EPA shall be discretionary on his part.

Level 2, Major Spill Event (Mandatory Cleanup Requirements)- involves a spill event resulting in the discharge of hazardous material, "special waste" or oil into a surface water or groundwater at concentrations exceeding those defined for a Level 1 spill. For cyanide-containing

wastes, this definition shall mean a surface discharge of more than 0.75 mg/l as free CN- and any discharge resulting in a concentration of more than 0.5 mg/l (aquatic life protection), as free CN-present in the surface water or groundwater system (instream concentration) as measured at the point of compliance. A Level 2 oil spill is defined as any discharge exceeding 100 gallons.

Point of Compliance - The designated ERT Coordinator, working with DW&NR/EPA personnel shall be responsible for defining a "point of compliance" at which the surface water or groundwater standard applies, and at which monitoring must be conducted. The point of compliance is a location (surface or subsurface) at the downstream or hydraulically down-gradient limit of the waste management area.

A compliance period may also be designated by the ERT Coordinator and DW&NR/EPA contact person. It would begin when the operator initiates the compliance monitoring program, and be completed when the compliance concentration is attained at the defined point of compliance.

CRITERIA: In the event of notification of a spill, the ERT Coordinator will consider the following criteria in determining the response level and initiating emergency response procedures:

- 1) Physical and chemical characteristics of the waste, including potential for migration in the surface water or groundwater system;
- 2) Quantity of waste flow;
- 3) Current and future uses of affected surface water or groundwater system;
- 4) Existing quality of surface water or groundwater systems (including other sources of contamination and cumulative impacts on water quality);

- 5) Potential for health risks caused by human exposure to the spill;
- 6) Potential for damage to wildlife, vegetation, and physical structures caused by exposure to waste constituents;
- 7) Persistence and permanence of potential adverse effects.

COMPLIANCE: With concurrence from and working directly through involved regulatory agencies, the ERT Coordinator will develop a recognized contaminant concentration below which the spill situation will be considered in compliance and cleanup completed. This concentration will be based on pre-existing background levels, recognized quality criteria, and physical conditions in the field. A monitoring program will be instituted by the operator, under the direct supervision of the ERT Coordinator. Monitoring frequency, sampling and analysis procedures and statistical evaluation procedures will be developed concurrently with initiation of the field monitoring.

The ERT Coordinator will report the results of the monitoring program to the designated representatives of BMC, DW&NR, EPA and possibly the Forest Service for review and evaluation, along with the formal Cleanup Plan for corrective action necessary to meet the accepted compliance or cleanup concentration limit.

CLEANUP PLAN: Corrective action measures included in the Cleanup Plan must be initiated and completed within a reasonable period of time, considering the extent of contamination. The corrective action measure may be terminated once the concentration of hazardous materials is reduced to levels below their respective concentration limits determined to be in compliance as described earlier in this memorandum, or the Plan must include the following:

- Description of background concentrations and data used to establish these values.
- Spill volume, flow rates, and levels of contamination.
- Methods for monitoring and sampling analysis.
- Concentration limits for cleanup.
- Detailed description of corrective actions.
- Proposed schedule for cleanup.
- Responsibilities for cleanup.

The operator will be responsible for preparing written progress reports to be submitted to the responsible DW&NR official which describe and verify the effectiveness of the corrective action program. These reports shall be submitted within 15 days after implementation of the Cleanup Plan, and every 15 days thereafter. The operator must continue corrective action until the compliance period is over or the spill is no longer considered a threat to the health of humans, fish, or wildlife. This will include disposal or decontamination of cleanup equipment and all hazardous waste and residues.

#### TECHNICAL RESPONSE MEMORANDUM NO.6 - POST SPILL CLOSURE REQUIREMENTS

Closure of the mining operation would only be considered where a significant public health hazard is imminent. Any closure situation would require that the maximum extent of the closure be identified prior to shut-down. Compliance or cleanup concentration limits must also be agreed upon prior to closure.

PURPOSE: This memorandum is designed to establish a definition for potential closure of the milling (leaching) operation at the Gilt Edge facility. Closure would occur only under extreme conditions. These conditions, which are described in detail in this memorandum, would involve a major spill event and imminent hazard to human health.

DISCUSSION: The following discussion defines conditons under which a potential closure would be considered and possibly implemented. The information identifies threshold limits which would "trigger" closure session negotiations between the operator and the DW&NR (and possibly EPA), including corrective action requirements, compliance concentration limits (for closure and continued operation), closure periods and requirements, and additional monitoring needs and report requirements. The primary objective is to establish a workable corrective action program for clean-up.

TRIGGERING MECHANISM: For the purposes of this discussion, the "triggering" mechanism which would initiate the negotiating process for a formal closure of facilities is: any set of circumstances or conditions of concentrations in the environment related to hazardous or special chemicals (those which by virture of their composition or longevity are harmful, toxic or lethal unless neutralized or otherwise

properly managed), and petroleum products transport, use, treatment or disposal which would involve an imminent threat to human health, safety or well-being. This includes any by design or accidental discharges, including but not limited to spilling, leaking, pumping, pouring, emitting, emptying or dumping; but excludes discharges in compliance with any approved N.P.D.E.S. permits for designated discharge of treated wastewater from the facility.

In the event of a major spill event (resulting in imminent hazard to human health, safety, or well-being), as determined by the ERT Coordinator, immediate emergency steps outlined in the SCP shall be instituted. Concurrently, the negotiating process for potential closure of the facility shall also be instituted.

IMMEDIATE HAZARD: The following guidelines shall be utilized by the ERT Coordinator in making a determination of "immediate hazard".

\*\*cyanide vapor exposure (HCN) exceeding the Threshold Limit Value (TLV) of 10 ppm free CN-, at which injury would occur to most humans during a normal work shift

\*\*liquid waste stream (not domestic water supply) containing 0.50 mg/l as free CN or more; or injury to humans from exposure or discharge.

\*\*NaCN in domestic water supply exceeding 0.50 mg/l as free CN-; or injury to humans from exposure.

\*\*Petroleum products - spill exceeding 100 gallons, with cleanup not possible unless shutdown occurs; or immediate fire or

explosion danger to the leaching facility is apparent.

**\*\*Other chemicals** - other in-use chemicals such as acids, bases, etc., determined on case-by-case basis, (Quality Criteria for Water, EPA (1980) to be utilized by ERT Coordinator in determination), or injury to humans from exposure.

Closure would also be considered where formal cleanup is not possible without instituting special measures for the protection of human safety accomplished through shutdown of the operation.

**CLOSURE NEGOTIATIONS:** In the event that an immediate health hazard (exceeding Level 2 spill event) is determined by the ERT Coordinator, closure negotiations shall be instituted. The operator must file a formal Cleanup Plan immediately (within 48-hours of the determination). and implement a corrective action program concurrently. Requirements of the Plan are identified in Technical Response Memorandum No.5 - Spill Event Definition.

The negotiation will involve designated representatives from BMC, DW&NR, possibly EPA and the Forest Service. Emphasis in the negotiations shall be placed on the development of a corrective action program that prevents hazardous constituents from exceeding their respective concentration limits at the compliance point.

Requirement for closure shall be jointly determined and agreed to by all involved parties. Any determination to require closure must also include the following:

- definition of how and when the facility will be closed or partially closed.
- estimate of maximum inventory and locations of wastes in storage

and in treatment, and disposal during closure.

--description of steps needed to decontaminate facility and equipment during closure.

--expected closure timeframe.

--criteria to be met to allow for startup.

--maximum time allowed for closure.

--maximum closure period.

During closure, the operator shall be responsible for necessary monitoring and reporting directly through the ERT Coordinator. The operator must close the facility in a manner which minimizes or eliminates to the extent necessary all threats to human health and the environment. In addition, all wastes must remain unexposed, and access by the public or domestic livestock shall be prohibited.

## TECHNICAL RESPONSE MEMORANDUM #7 - CYANIDE TOXICITY

### **Personal Safety and Health**

Safety and health hazard considerations related to the BMC Project primarily involve potential exposure to sodium cyanide, and accident situations associated with the transportation of petroleum products. This discussion briefly identifies health hazards and safety precautions related to these areas of concern, focusing on operational use and disposal of sodium cyanide.

Sodium cyanide is a highly toxic poison when taken internally. Poisoning may also occur if dust and/or sodium cyanide gas is inhaled. Sodium cyanide is alkaline, and causes burns to eyes.

The U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) has promulgated regulations and exposure standards which deal with NaCN. Symptoms of cyanide poisoning include the following:

- |                             |              |
|-----------------------------|--------------|
| --Reddening of the eyes     | --Headache   |
| --Irritation of the throat  | --Salivation |
| --Palpitation               | --Giddiness  |
| --Difficulty in breathing   | --Nausea     |
| --Weakness of arms and legs | --Numbness   |
| --Collapse and convulsions  |              |

These symptoms can also result from many other causes. However, they should be investigated when occurring around cyanide use.

Cyanide toxicity is essentially an inhibition of oxygen metabolism, i.e., rendering the tissues incapable of exchanging oxygen. Cyanide

combines with methemoglobin, a form of hemoglobin. Amyl nitrate and other agents can be used to increase the level of methemoglobin to counteract cyanide toxicity.

The effects of exposure vary from rapid fatality to semi-unconsciousness and respiratory problems.

Most cyanide in water is in the form of HCN. Toxicities vary markedly with pH; a given concentration that is innocuous at pH 8 may be detrimental and even fatal if the pH is lowered to 6 or less.

#### **Toxicity to Fish and Wildlife**

The toxicity of cyanides to fish is affected by the pH, temperature, dissolved oxygen concentration, and presence of certain minerals. The lower the pH, the greater the proportion of undissociated HCN and the higher the toxicity. The toxicity of cyanide also increases at elevated temperature (a rise of 10 C produces a two- to three-fold increase in the rate of lethal action). Low tensions of dissolved oxygen also increase the toxic action of cyanides. When fish are poisoned by cyanide, their gills become considerably brighter in color than those of normal fish (owing to inhibition by CN of the oxidase responsible for transferring of oxygen from the blood to tissues).

TECHNICAL RESPONSE MEMORANDUM NO.8

EMERGENCY CONTACT LIST

BMC PERSONNEL

<u>Name</u>	<u>Home Phone</u>
Rex Outzen General Manager	(605) 642-4937
John Wilbanks Director of Environmental Affairs	(605) 642-2843
Lance Hubbard Safety/Security Supervisor	(605) 269-2322
Doug Stewart Sulfide Project Manager	(605) 642-2930
Carl Seward Mine Superintendent	(605) 642-5591
Dan Blakeman Process Superintendent	(605) 642-3271

EMERGENCY MEDICAL

BMC Emergency Medical Team	(605) 578-2107
Lawrence County Sheriff's Department (Ambulance)	(605) 578-2230
Black Hills Medical Center	(605) 578-2313
Northern Hills General Hospital	(605) 578-2313
Lawrence County Civil Defense Office (Search & Rescue, Emergency Response)	(605) 578-2122

STATE AGENCIES

Department of Water and Natural Resources	(605) 773-4201
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FEDERAL AGENCIES

U.S. Forest Service(Nemo Ranger Dist.)	(605) 578-2744
U.S. Environmental Protection Agency (D.C.)	1-800-424-8802
U.S. Environmental Protection Agency Region VIII (Denver)	(303) 293-1502

EMERGENCY RESPONSE CONSULTANTS

<u>Name</u>	<u>Phone</u>	<u>Alternate Phone</u>
DuPont	(302)999-4414	(Emergency Number) (901)357-1546
Travis Laboratories Rapid City, S.D.	(605)341-7284	(605)341-2458
CHEMTREC Washington, D.C.	(800)424-9300	

Attachment VI

**JAMES W. GELHAUS**  
*Consulting Meteorologist*  
48 Clopton Lane  
Townsend, MT 59644

ATTACHMENT VI

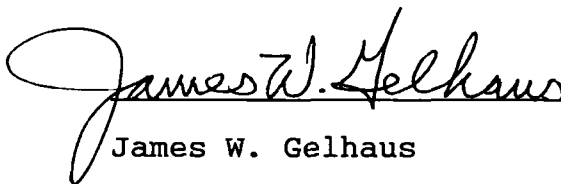
QUARTERLY  
AIR QUALITY AND METEOROLOGICAL  
DATA SUMMARY OF THE  
**GILT EDGE MINE**  
JULY 1993 - SEPTEMBER 1993

Prepared For:  
**BROHM MINING CORPORATION**  
DEADWOOD, SOUTH DAKOTA

Prepared By:  
**JAMES W. GELHAUS**  
CONSULTING METEOROLOGIST  
TOWNSEND, MONTANA 59644

CERTIFICATION OF REPORT INTEGRITY

This report represents an accurate summary of air quality and meteorological conditions measured around the Gilt Edge Mine at Deadwood, South Dakota. Every effort was made to obtain accurate and representative data and to comply with procedures set forth in the Quality Assurance Handbook for Air Pollution Measurement Systems; Volume III, Ambient Air Specific Methods (EPA 600/4-77-027a).

A handwritten signature in cursive script, reading "James W. Gelhaus". The signature is written in dark ink and is positioned above the printed name.

James W. Gelhaus

Consulting Meteorologist

Date: November 8, 1993

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**QUARTERLY AIR QUALITY AND METEOROLOGICAL  
DATA SUMMARY OF THE  
GILT EDGE MINE**

**I. INTRODUCTION**

Operational air quality and meteorology monitoring was conducted during the third quarter of 1993 around the Gilt Edge Mine near Deadwood, South Dakota. The monitoring data presented in this report covers primarily the period July 1, 1993 through September 30, 1993. The monitoring activities conducted by Brohm Mining Corporation consisted of two sites (see Table 1): a meteorological station, and two air quality monitoring stations. Parameters monitored at the meteorological station included wind speed, wind direction, wind sigma, and temperature. The wind sensors were mounted on top of a ten meter tower. The air quality monitoring stations consisted of PM-10 air samplers which monitored 10 micron or smaller suspended particulate concentrations.

TABLE 1

## AIR QUALITY AND METEOROLOGY MONITORING SITES

Site	Elevation*	Location	Parameters Monitored
Meteorology	5720	R4E T4N NE 1/4 of SE 1/4 of Sec. 6	Wind Speed Wind Direction Temperature Wind Sigma
Anchor Hill (Site A)	5720	R4E T4N NE 1/4 of SE 1/4 of Sec. 6	PM-10 Suspended Particulates
Joe King (Site B)	5280	R4E T4N NW 1/4 of NW 1/4 of Sec. 8	PM-10 Suspended Particulates

\* Feet above sea level.

## II. QUALITY ASSURANCE

All sampling and analysis followed EPA and State of South Dakota quality assurance procedures. All suspended particulate samples were corrected to reference conditions as required by EPA. Calibrations of the air quality samplers were performed on the air samplers every calendar quarter, at which time, the samplers were cleaned, inspected, and preventative maintenance provided. Calibrations were made using a variable resistance calibration orifice. The orifice was certified by the Montana Department of Health and Environmental Sciences on February 9, 1993. Results of the field calibrations are enclosed in Appendix A.

Results of the precision and accuracy checks for the air quality monitors are shown in Table 2. Precision checks are based on comparison of co-located sampler results from the Golden Sunlight Mine and the Montana Tunnels Mine. Results of the latest quarter of sampling have shown an average difference of -5.55 and 5.64 for the Montana Tunnels Mine and Golden Sunlight Mine, respectively.

TABLE 2  
DATA ASSESSMENT REPORT FOR AIR QUALITY DATA  
Brohm Mining Corporation

Pollutant	Site	Precision			Accuracy	
		No. of Co-located Samples	95% Limit Lower	Upper	Audit Date	Percent Inaccuracy
PM-10	A	--	--	--	06/18/93	3.2
PM-10	B	--	--	--	06/18/93	3.6
PM-10	4000 +	22	-13.8	25.1	08/02/93	-1.8
PM-10	1A *	29	-19.9	8.8	07/05/93	-1.2

+ Co-located sampler precision data from Golden Sunlight Mine.

\* Second site co-located sampler precision results from the Montana Tunnels Mine as required in the March 19, 1986 Federal Register.

### III. AIR QUALITY DATA SUMMARY

Measurements of PM-10 suspended particulates during 1993 are summarized in Table 3. Appendix B lists the individual results of the PM-10 suspended particulate data collection for 1993. In Table 3 the maximum twenty-four hour PM-10 concentration was 61  $\text{ug}/\text{m}^3$ . This is compared to the South Dakota and Federal twenty-four hour PM-10 standard of 150  $\text{ug}/\text{m}^3$  (Table 4). The maximum arithmetic average PM-10 concentration was 8  $\text{ug}/\text{m}^3$ . This is compared to the South Dakota and Federal PM-10 standard of 50  $\text{ug}/\text{m}^3$ .

TABLE 3

## SUMMARY OF THE PM-10 SUSPENDED PARTICULATE DATA - 1993

BROHM MINING CORPORATION DEADWOOD, SD

<u>SITE</u>	<u>MAXIMUM</u>	<u>SECOND HIGH</u>	<u>ARITHMETIC AVERAGE</u>	<u>NO. OF SAMPLES</u>
A	61.	16.	8.	44
B	19.	16.	8.	45

Values in micrograms per cubic meter.

TABLE 4

## AMBIENT AIR QUALITY STANDARDS

## PM-10 SUSPENDED PARTICULATES

(Values in micrograms per cubic meter)

<u>Time Period</u>	<u>South Dakota PM-10</u>	<u>Federal PM-10</u>
24-Hour	150 *	150 *
Annual	50 a	50 a

\* Not to be exceeded more than once per year.

+ Geometric average, not to be exceeded.

a Arithmetic average of quarterly averages, not to be exceeded.

#### IV. METEOROLOGICAL DATA SUMMARY

Wind speed, wind direction, wind sigma, and temperature were measured at Site A using Climatronics Corporation sensors and a Campbell Scientific Inc. 21X data logger. Hourly average values are presented in Appendix C. Also shown in Appendix C are monthly summaries of the data including wind frequency diagrams; wind speed and direction frequency tables; and various summary statistics such as average speed, resultant speed and direction, and persistence.

Table 5 summarizes the wind statistics for 1993. Shown in the table are the average wind speed, the first and second most frequent wind directions, the resultant wind speed and direction, and the wind persistence. During the year to-date, wind speeds were light, highest in July (9.0 mph) and lowest in February (5.4 mph). During the latest quarter, only five weeks of data were collected. Power was lost to the data logger and most of August and all of September data were lost.

TABLE 5

## SURFACE WIND SUMMARY STATISTICS - 1993

Month	Average Speed (mph)	Most Frequent Direction	Second Frequent Direction	Resultant Speed	Direction	Persistence (Percent)
January	7.8	NW	NNW	3.1	269.5	40.4
February	5.4	NW	NNW	2.8	304.5	52.4
March	6.2	NNW	NW	3.6	310.3	58.3
April	6.0	NW	NNW	1.0	290.5	17.3
May	7.7	NNW	NW	0.7	207.5	9.0
June	8.8	NW	S	1.8	211.0	20.5
July	9.0	NW	S	2.1	203.3	23.8
August	-- Insufficient Data Collected --					
September	-- Insufficient Data Collected --					

## **V. DATA RECOVERY**

Table 6 lists the data recovery for the data collection during the quarter. PM-10 sampling data recovery varied from 93 to 100 percent for the two sites. The meteorological data recovery was also only 38 percent due to the power being lost at the data logger.

## **VI. SUMMARY**

The quarter data collection was completed with good data recovery on the particulate sampling. The meteorological data recovery was low due to power being lost at the data logger. Particulate levels were well within both the Federal and South Dakota PM-10 air quality standards. EPA quality assurance procedures were followed on all data collection.

TABLE 6  
**DATA RECOVERABILITY**  
 Brohm Mining Corporation  
 July 1993 - September 1993

Variable	Total Periods	Total Measurements	Percentage Recovered
Particulates			
PM-10 - A	15	15	100.0
PM-10 - B	15	14	93.3
Wind Speed/ Wind Direction	2208	845	38.3

**APPENDIX A**

**QUALITY ASSURANCE**

**Brohm Mining Corporation    Deadwood, SD**

**Air Sampler Calibrations, Audits**

JAMES W. GELHAUS  
Consulting Meteorologist  
P.O. Box 1196 • Townsend, MT 59644 • (406) 266-4486 • FAX (406) 266-5634

LOCATION: Brohm Mining Corp.  
 DATE: 6-18-93 SAMPLER: Anchor Hill-A  
 SAMPLER TYPE(SN): GMW PM-10  
 FLOW CONTROLLER TYPE(SN): GMW MFC  
 ORIFICE(SN): BGI Inc. Z-76 (JG-1)  
 ORIFICE EQUATION  $Q=a(x)^b$  a: 0.64553 b: 0.48971  
 OBSERVER(S): J. Gelhaus (AUDIT; CALIBRATION)  
 (AUDIT; CALIBRATION)

FLOW CONTROLLER OPERATING?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
TR = ZERO? ADJUSTED <u>0</u>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
FILTER CARTRIDGE WING NUTS TIGHT?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
VACUUM HOSE CRACKED?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
FILTER RIGHT SIDE UP?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
GASKETS IN GOOD CONDITION?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

PREVENTIVE MAINTENANCE: Replaced blower motor brushes, cleaned & lubricated bounce plate.

TEMPERATURE: 50 (C; F) BAROMETRIC PRESSURE: 24.50 (in Hg; mm Hg)

AUDIT

	<u>P1</u>	<u>P2</u>	<u>TOTAL-P</u>	<u>TR</u>	<u>Q(ORIFICE)</u>	<u>Q(CALIBR.)*</u>
1	<u>1.70</u>	<u>1.95</u>	<u>3.65</u>	<u>35.0</u>	<u>1.2170</u>	<u>1.1796</u>

\* FROM PREVIOUS CALIBRATION.

CALIBRATION

	<u>P1</u>	<u>P2</u>	<u>TOTAL-P</u>	<u>TR</u>	<u>Q(ORIFICE)</u>	<u>Q(CALIBR.)</u>
1	<u>3.25</u>	<u>3.50</u>	<u>6.75</u>	<u>48.5</u>	<u>1.6445</u>	<u>1.6405</u>
2	<u>2.90</u>	<u>3.15</u>	<u>6.05</u>	<u>46.5</u>	<u>1.5586</u>	<u>1.5612</u>
3	<u>2.45</u>	<u>2.70</u>	<u>5.15</u>	<u>43.5</u>	<u>1.4404</u>	<u>1.4422</u>
4	<u>2.10</u>	<u>2.35</u>	<u>4.45</u>	<u>41.0</u>	<u>1.3410</u>	<u>1.3430</u>
5	<u>1.55</u>	<u>1.80</u>	<u>3.35</u>	<u>36.5</u>	<u>1.1669</u>	<u>1.1645</u>

CORRELATION COEFFICIENT R = 0.9999

$Q = a(TR) + b$  a = 0.03967 b = -0.28357

JAMES W. GELHAUS  
Consulting Meteorologist  
P.O. Box 1196 • Townsend, MT 59644 • (406) 266-4486 • FAX (406) 266-5634

LOCATION: Brohm Mining Corp.  
DATE: 6-18-93 SAMPLER: Jde King - B

SAMPLER TYPE(SN): GMW PM-10  
FLOW CONTROLLER TYPE(SN): GMW MEC  
ORIFICE(SN): BGI Inc. 2-76 (JB-1)

ORIFICE EQUATION  $Q=a(x)^b$  a: 0.64553 b: 0.48971

OBSERVER(S): J. Gelhaus (AUDIT; CALIBRATION)  
(AUDIT; CALIBRATION)

FLOW CONTROLLER OPERATING?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
TR = ZERO? ADJUSTED <u>0</u>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
FILTER CARTRIDGE WING NUTS TIGHT?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
VACUUM HOSE CRACKED?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
FILTER RIGHT SIDE UP?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
GASKETS IN GOOD CONDITION?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

PREVENTIVE MAINTENANCE: Replaced blower motor brushes,  
cleaned + lubricated bounce plate.

TEMPERATURE: 50 (C; F) BAROMETRIC PRESSURE: 24.85 (in Hg); mm Hg)

AUDIT

	<u>P1</u>	<u>P2</u>	<u>TOTAL-P</u>	<u>TR</u>	<u>Q(ORIFICE)</u>	<u>Q(CALIBR.)*</u>
1	<u>1.55</u>	<u>1.80</u>	<u>3.35</u>	<u>39.0</u>	<u>1.1669</u>	<u>1.1268</u>

\* FROM PREVIOUS CALIBRATION.

CALIBRATION

	<u>P1</u>	<u>P2</u>	<u>TOTAL-P</u>	<u>TR</u>	<u>Q(ORIFICE)</u>	<u>Q(CALIBR.)</u>
1	<u>3.45</u>	<u>3.70</u>	<u>7.15</u>	<u>55.5</u>	<u>1.6915</u>	<u>1.6880</u>
2	<u>3.00</u>	<u>3.25</u>	<u>6.25</u>	<u>52.5</u>	<u>1.5837</u>	<u>1.5890</u>
3	<u>2.35</u>	<u>2.60</u>	<u>4.95</u>	<u>47.0</u>	<u>1.4128</u>	<u>1.4074</u>
4	<u>1.75</u>	<u>2.00</u>	<u>3.75</u>	<u>42.0</u>	<u>1.2332</u>	<u>1.2423</u>
5	<u>1.45</u>	<u>1.70</u>	<u>3.15</u>	<u>38.5</u>	<u>1.1322</u>	<u>1.1268</u>

CORRELATION COEFFICIENT R = 0.9996

$Q = a(TR) + b$  a = 0.03301 b = -0.14432

**APPENDIX B**

**AIR QUALITY DATA**

**Brohm Mining Corporation    Deadwood, SD**

**PM-10 Suspended Particulate Data**

# PM-10 SUSPENDED PARTICULATE SUMMARY

Location: BROHM MINING CORP.

Site: A - ANCHOR HILL SAROAD ID: 007J02

Year: 1993

Day	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1	4	-	-	8	10	-	-	-	-	-	-	-	
2	-	-	5	-	-	-	-	-	-	-	-	-	
3	-	-	-	-	-	-	-	-	-	-	-	-	
4	-	-	-	-	-	-	-	-	9	-	-	-	
5	-	-	-	-	-	-	-	13	-	-	-	-	
6	-	4	-	-	-	6	5	-	-	-	-	-	
7	-	-	-	4	4	-	-	-	-	-	-	-	
8	-	-	6	-	-	-	-	-	-	-	-	-	
9	-	-	-	-	-	-	-	-	-	-	-	-	
10	-	-	-	-	-	-	-	-	11	-	-	-	
11	-	-	-	-	-	-	-	6	-	-	-	-	
12	-	3	-	-	-	10	4	-	-	-	-	-	
13	13	-	-	3	13	-	-	-	-	-	-	-	
14	-	-	5	-	-	-	-	-	-	-	-	-	
15	-	-	-	-	-	-	-	-	-	-	-	-	
16	-	-	-	-	-	-	-	-	9	-	-	-	
17	-	-	-	-	-	-	-	8	-	-	-	-	
18	-	2	-	-	-	3	5	-	-	-	-	-	
19	4	-	-	2	16	-	-	-	-	-	-	-	
20	-	-	5	-	-	-	-	-	-	-	-	-	
21	-	-	-	-	-	-	-	-	-	-	-	-	
22	-	-	-	-	-	-	-	-	10	-	-	-	
23	-	-	-	-	-	-	-	8	-	-	-	-	
24	-	-	-	-	-	7	7	-	-	-	-	-	
25	2	-	-	6	8	-	-	-	-	-	-	-	
26	-	-	12	-	-	-	-	-	-	-	-	-	
27	-	-	-	-	-	-	-	-	-	-	-	-	
28	-	-	-	-	-	-	-	-	61	-	-	-	
29	-	-	-	-	-	-	-	11	-	-	-	-	
30	-	-	-	-	-	7	8	-	-	-	-	-	
31	1	-	-	-	9	-	-	-	-	-	-	-	
Max	13	4	12	8	16	10	8	13	61	0	0	0	61
Avg	5	3	7	5	10	7	6	9	20	0	0	0	8
Samples	5	3	5	5	6	5	5	5	5	0	0	0	44

# PM-10 SUSPENDED PARTICULATE SUMMARY

Location: BROHM MINING CORP.

Site: B - JOE KING

SAROAD ID: 008J02

Year: 1993

Day	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1	0	-	-	7	7	-	-	-	-	-	-	-	
2	-	-	4	-	-	-	-	-	-	-	-	-	
3	-	-	-	-	-	-	-	-	-	-	-	-	
4	-	-	-	-	-	-	-	-	8	-	-	-	
5	-	-	-	-	-	-	-	14	-	-	-	-	
6	-	2	-	-	-	6	7	-	-	-	-	-	
7	6	-	-	5	4	-	-	-	-	-	-	-	
8	-	-	6	-	-	-	-	-	-	-	-	-	
9	-	-	-	-	-	-	-	-	-	-	-	-	
10	-	-	-	-	-	-	-	-	14	-	-	-	
11	-	-	-	-	-	-	-	12	-	-	-	-	
12	-	5	-	-	-	9	9	-	-	-	-	-	
13	14	-	-	3	15	-	-	-	-	-	-	-	
14	-	-	5	-	-	-	-	-	-	-	-	-	
15	-	-	-	-	-	-	-	-	-	-	-	-	
16	-	-	-	-	-	-	-	-	9	-	-	-	
17	-	-	-	-	-	-	-	9	-	-	-	-	
18	-	3	-	-	-	1	8	-	-	-	-	-	
19	5	-	-	4	14	-	-	-	-	-	-	-	
20	-	-	5	-	-	-	-	-	-	-	-	-	
21	-	-	-	-	-	-	-	-	-	-	-	-	
22	-	-	-	-	-	-	-	-	8	-	-	-	
23	-	-	-	-	-	-	-	-	-	-	-	-	
24	-	10	-	-	-	7	6	-	-	-	-	-	
25	3	-	-	6	6	-	-	-	-	-	-	-	
26	-	-	16	-	-	-	-	-	-	-	-	-	
27	-	-	-	-	-	-	-	-	-	-	-	-	
28	-	-	-	-	-	-	-	-	19	-	-	-	
29	-	-	-	-	-	-	-	7	-	-	-	-	
30	-	-	-	-	-	8	15	-	-	-	-	-	
31	1	-	-	-	6	-	-	-	-	-	-	-	
Max	14	10	16	7	15	9	15	14	19	0	0	0	19
Avg	5	5	7	5	9	6	9	11	12	0	0	0	8
Samples	6	4	5	5	6	5	5	4	5	0	0	0	45

**APPENDIX C**

**METEOROLOGICAL DATA**

Brohm Mining Corporation    Deadwood, South Dakota

Hourly Wind Speed Data  
Hourly Wind Direction Data  
Hourly Wind Sigma Data  
Hourly Temperature Data  
Monthly Wind Summary Table  
Monthly Wind Rose Diagram

BROHM MINING CORP.

DEADWOOD SD

JULY 1993

## \*\*\* WIND SPEED SUMMARY \*\*\*

	HOURS																								AVG
DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	15.9	17.2	17.3	16.6	13.3	10.7	8.2	7.1	6.0	5.2	6.2	6.4	8.3	7.3	5.3	6.7	6.7	5.8	5.5	5.2	4.2	5.1	5.7	7.8	8.5
2	9.2	8.1	10.7	8.3	5.0	5.5	9.3	16.0	17.6	21.5	23.4	22.8	20.1	18.5	18.0	18.0	18.2	19.0	18.5	16.4	17.9	19.9	20.1	22.7	16.0
3	25.0	22.2	18.1	21.3	28.7	26.4	21.0	16.2	5.8	3.3	5.3	7.0	6.7	10.4	10.1	13.0	13.2	14.1	12.6	9.9	10.3	8.5	8.6	11.8	13.7
4	13.7	13.4	12.3	13.3	12.7	12.7	11.4	13.3	13.8	14.8	14.1	14.9	14.7	15.5	15.7	14.7	12.9	10.8	10.0	10.9	11.4	7.6	8.3	10.1	12.6
5	11.5	11.0	12.2	11.6	10.9	12.6	14.0	12.5	13.4	13.5	12.9	11.0	10.1	9.0	10.3	8.4	10.2	7.8	7.2	9.0	9.1	9.8	8.4	8.7	10.6
6	9.1	8.9	8.3	8.9	10.0	9.3	8.1	8.2	7.9	7.6	8.4	8.3	6.5	5.5	6.2	6.1	5.8	4.9	6.6	4.5	11.0	11.7	6.0	4.2	7.6
7	5.5	5.8	6.6	6.5	7.1	6.6	6.2	5.0	4.2	5.1	3.3	4.9	3.9	3.8	4.8	4.9	5.0	6.5	9.8	11.1	13.2	11.5	7.2	5.3	6.4
8	5.9	4.1	5.4	3.0	5.3	5.7	7.4	8.2	5.4	4.9	5.8	6.9	5.8	6.5	6.0	6.6	5.9	7.6	5.6	4.5	5.7	4.8	4.9	4.9	5.7
9	5.7	6.7	6.1	5.8	5.6	6.5	6.7	3.4	4.0	3.3	2.5	3.4	4.4	6.8	10.0	11.9	12.6	10.1	5.6	7.9	11.1	15.3	13.3	12.0	7.5
10	11.4	5.5	5.2	3.2	2.2	3.7	3.2	2.3	4.1	3.2	5.5	4.6	4.8	4.8	7.6	8.0	7.3	7.1	7.2	7.7	7.3	7.7	7.3	3.5	5.6
11	5.7	7.4	4.6	4.1	3.2	4.9	3.7	2.5	1.7	2.2	4.4	4.2	5.9	5.8	7.9	9.9	10.8	9.0	9.9	9.9	9.8	11.0	13.5	15.5	7.0
12	19.0	19.6	20.3	18.5	14.8	15.7	18.7	18.4	18.4	10.2	4.0	5.9	5.6	4.6	7.6	12.7	9.9	9.6	11.2	5.7	5.1	6.8	5.5	4.3	11.3
13	5.6	7.0	7.2	6.8	7.8	8.0	6.8	8.0	8.7	8.2	7.2	6.2	5.9	5.7	5.9	5.8	6.1	5.1	4.9	3.5	2.1	2.8	1.5	3.5	5.8
14	3.5	7.2	10.2	9.2	12.5	11.0	12.3	14.5	17.1	15.7	21.5	14.9	10.1	8.4	13.1	21.9	25.0	26.2	24.4	26.5	20.3	17.5	18.7	8.5	15.4
15	12.5	16.5	16.4	12.8	11.7	10.7	4.8	5.1	0.9	1.6	5.2	5.0	5.7	5.4	6.7	7.0	6.4	6.0	5.1	6.5	9.5	11.2	10.1	9.5	8.0
16	9.1	12.4	13.8	11.3	9.2	8.7	10.9	9.5	6.0	3.0	2.1	1.7	1.2	2.9	3.4	2.8	4.3	4.0	5.8	6.6	5.6	5.6	5.9	6.4	6.3
17	6.1	6.8	4.2	4.2	4.7	6.5	7.1	6.1	4.2	6.6	6.8	7.6	4.0	5.3	6.3	5.7	6.4	10.1	13.0	12.1	11.9	10.8	14.8	12.0	7.6
18	1.2	3.7	1.3	7.0	11.3	9.7	2.4	4.3	5.3	6.1	3.9	3.2	4.6	6.3	8.3	7.4	7.8	8.3	7.6	6.7	6.9	6.5	6.4	8.0	6.0
19	6.0	3.8	4.0	3.8	4.6	4.8	5.5	4.4	2.2	1.9	2.9	5.5	7.1	8.9	9.4	8.1	6.2	7.8	10.1	9.9	8.3	7.6	10.9	11.9	6.5
20	6.1	8.3	13.9	12.2	10.1	8.5	7.4	10.9	8.9	6.7	8.1	12.1	16.6	20.0	20.3	22.2	22.1	25.3	24.7	21.7	20.6	14.3	4.2	10.6	14.0
21	10.1	10.7	11.9	14.9	22.7	21.1	20.7	17.2	16.3	14.7	16.8	16.4	15.1	12.6	15.5	16.3	16.4	15.9	19.1	23.1	10.5	5.4	5.1	5.8	14.8
22	5.8	9.4	6.2	4.9	5.1	5.6	7.2	5.6	5.7	5.9	6.6	6.5	6.8	6.6	6.3	6.8	7.0	6.3	5.3	6.2	8.1	9.4	8.4	8.7	6.7
23	10.3	12.5	9.4	10.2	6.9	8.7	9.4	9.5	7.3	4.7	6.5	6.6	7.1	7.3	6.8	6.3	7.4	6.4	3.4	4.8	5.3	5.4	8.4	7.0	7.4
24	9.3	8.0	5.5	3.0	1.8	2.6	5.1	5.8	4.2	2.8	3.1	7.4	9.3	8.7	5.6	5.7	8.4	8.1	9.0	8.6	7.4	7.0	8.1	8.3	6.4
25	8.2	8.8	8.4	9.0	8.5	8.3	8.9	9.1	7.2	5.5	5.4	5.5	4.2	5.1	4.5	5.4	5.5	5.1	3.8	4.8	7.1	6.3	6.9	9.3	6.7
26	11.8	11.6	12.0	14.0	8.0	9.7	9.3	6.6	6.4	12.0	11.3	10.9	8.3	10.6	4.6	3.7	4.2	4.3	5.3	9.1	7.4	7.2	11.8	9.6	8.7
27	9.6	12.2	11.2	10.6	12.6	14.3	15.1	13.1	11.9	13.7	13.9	13.8	15.2	16.5	14.3	15.1	15.1	13.2	11.4	11.4	9.0	9.5	9.4	8.2	12.5
28	8.3	7.2	7.4	7.3	7.4	6.0	6.1	5.8	4.5	4.3	3.5	3.1	3.5	5.8	5.5	6.8	8.4	10.2	10.7	10.5	12.0	13.6	14.4	15.8	7.8
29	14.8	15.1	13.6	9.9	9.9	9.9	7.9	6.0	5.2	4.2	4.4	6.8	7.9	11.6	10.4	13.3	14.7	14.3	12.0	11.6	13.0	13.2	12.9	11.5	10.6
30	12.1	11.9	10.2	9.7	10.1	11.2	11.8	10.5	6.3	8.0	5.8	3.8	3.8	4.7	5.8	5.4	5.2	5.8	6.6	6.2	6.7	5.2	6.7	8.6	7.6
31	6.6	6.1	3.5	6.0	6.9	4.9	4.2	5.6	10.1	6.7	6.0	3.9	5.0	4.6	5.4	6.3	7.8	9.4	9.2	8.8	7.3	6.8	6.7	6.2	6.4
AVG	9.5	10.0	9.6	9.3	9.4	9.4	9.1	8.7	7.8	7.3	7.6	7.8	7.7	8.2	8.6	9.4	9.8	9.8	9.7	9.7	9.5	9.2	9.0	9.0	

BROHM MINING CORP.

DEADWOOD SD

JULY 1993

## \*\*\* WIND DIRECTION SUMMARY \*\*\*

## HOURS

DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	172	180	179	181	189	195	201	318	316	326	347	333	343	343	346	357	355	348	347	11	27	109	144	156
2	164	164	158	166	36	81	133	151	164	166	169	170	163	163	151	155	147	146	147	150	150	158	165	177
3	177	181	187	183	177	176	180	185	181	168	297	287	224	262	257	249	243	250	261	262	258	278	293	289
4	286	292	298	302	304	306	300	300	299	294	291	299	296	300	299	302	298	298	299	297	301	303	305	301
5	303	305	303	306	303	310	309	311	310	310	312	311	317	306	310	319	313	317	324	309	322	306	306	303
6	307	310	303	305	306	308	304	304	308	312	310	302	319	343	330	328	349	77	111	83	284	287	307	328
7	299	298	301	306	313	306	312	313	312	324	308	292	279	297	326	25	84	114	122	127	147	165	40	64
8	117	125	113	133	170	168	168	171	171	140	356	341	346	356	352	352	349	354	321	305	307	318	334	308
9	314	314	319	314	304	301	301	284	287	285	305	355	39	93	118	122	119	110	78	187	176	178	187	188
10	187	20	352	349	100	102	65	350	343	328	331	336	359	93	12	11	359	354	352	349	354	352	348	314
11	323	335	327	322	298	310	317	284	241	305	124	53	78	82	105	114	141	129	119	124	113	137	154	163
12	175	173	173	164	154	155	169	166	174	186	250	5	73	91	108	132	147	125	144	92	37	47	126	181
13	318	334	338	334	330	333	329	322	336	332	327	325	336	343	351	357	357	352	4	356	11	105	122	186
14	191	168	176	174	175	174	170	170	165	161	169	186	196	218	175	175	173	175	173	174	184	188	182	192
15	168	186	193	200	211	220	355	46	129	227	166	158	177	184	39	39	76	42	84	99	114	139	182	178
16	191	155	174	168	167	172	167	162	134	27	36	20	115	46	349	343	351	0	354	352	349	347	339	335
17	330	321	326	334	342	343	326	313	306	184	180	166	147	35	48	74	97	119	136	157	170	167	166	174
18	230	151	175	112	138	156	110	106	111	155	131	127	1	345	333	330	335	339	342	336	326	320	329	334
19	319	288	288	282	274	321	313	321	303	353	148	152	124	134	132	134	64	96	120	147	147	161	169	174
20	190	192	186	183	180	183	201	186	185	193	170	142	149	155	166	175	173	172	167	161	167	172	56	331
21	355	148	163	164	169	165	157	167	177	177	175	174	172	168	163	158	165	157	155	164	234	166	6	164
22	226	175	242	343	193	204	310	341	340	327	335	344	358	358	357	356	63	107	107	113	144	178	171	185
23	178	184	193	190	203	199	231	236	276	338	312	312	355	355	348	347	353	10	60	83	103	142	127	127
24	126	144	134	99	39	210	211	223	252	259	121	112	173	173	182	311	329	328	327	328	320	316	317	318
25	316	317	318	320	318	310	309	311	314	323	334	309	339	353	325	319	307	286	306	28	120	141	154	163
26	178	177	183	175	183	177	183	199	185	176	171	159	148	199	322	344	172	297	211	177	232	274	289	308
27	294	304	307	299	290	304	306	303	303	301	302	308	306	305	308	310	313	313	313	316	317	318	317	318
28	316	314	314	309	301	298	294	293	287	299	312	345	20	75	75	107	116	128	126	132	133	155	170	179
29	182	186	189	204	224	228	234	249	249	236	199	159	166	122	131	140	145	152	149	165	172	181	186	192
30	199	208	210	217	233	268	301	306	301	290	290	316	330	352	8	354	16	41	59	76	99	83	98	316
31	75	313	223	164	162	185	208	217	193	168	145	347	12	24	8	356	354	352	348	343	343	341	339	332

BROHM MINING CORP.

DEADWOOD SD

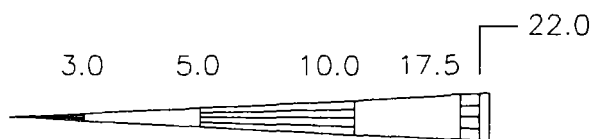
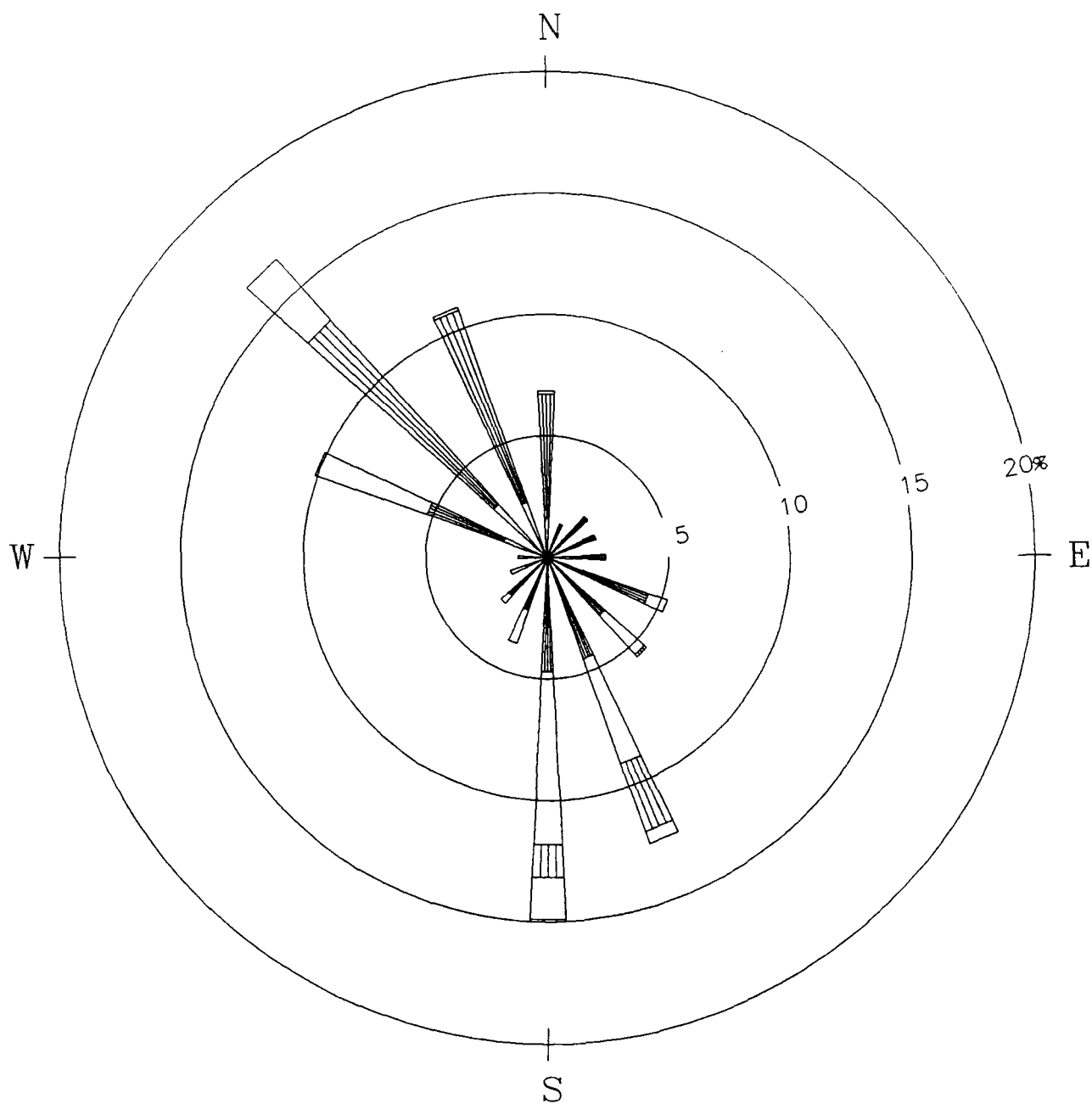
JULY 1993

## \*\*\* WIND FREQUENCY SUMMARY \*\*\*

DIR--- SPEED (MPH)	N	NNE	NE	ENE	E	ESE	SE	SSE	S	SSW	SW	WSW	W	WNW	NW	NNW	TOTAL
0.3 - 3.0	0.4	0.3	0.4	0.0	0.3	0.5	0.3	0.1	0.1	0.1	0.3	0.3	0.0	0.3	0.3	0.1	3.8
3.1 - 5.0	1.2	0.8	0.5	0.4	0.7	0.5	0.5	0.5	0.7	0.3	0.3	0.3	0.3	1.6	2.7	2.3	13.6
5.1 - 10.0	5.1	0.4	1.3	1.7	1.5	3.4	2.4	3.8	3.9	1.9	1.6	0.4	0.5	3.4	10.2	8.3	49.9
10.1 - 17.5	0.1	0.0	0.0	0.0	0.0	0.8	2.2	4.6	7.1	1.5	0.4	0.7	0.4	4.8	3.4	0.1	26.1
17.6 - 22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	3.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4
22.1 - 30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3
30.1 - 40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
40.1 - 50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OVER 50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	6.9	1.5	2.3	2.2	2.4	5.2	5.5	12.5	14.9	3.8	2.6	1.6	1.2	10.1	16.5	10.9	
AVG. SPEED	5.9	4.5	5.1	5.6	5.4	7.1	8.8	13.1	13.3	8.6	7.3	7.6	8.4	9.2	7.9	6.3	

CALM HOURS= 0.0% TOTAL HOURS WITH BOTH SPEED AND DIRECTION= 744 AVERAGE WIND SPEED= 9.0 (MPH)

RESULTANT WINDSPEED= 2.1 (MPH) RESULTANT WIND DIRECTION=203.3 DEG. WIND PERSISTENCE= 23.8%



WIND SPEED CLASS BOUNDARIES  
(MILES/HOUR)

NOTES:  
 DIAGRAM OF THE FREQUENCY OF  
 OCCURRENCE FOR EACH WIND DIRECTION.  
 WIND DIRECTION IS THE DIRECTION  
 FROM WHICH THE WIND IS BLOWING.  
 EXAMPLE - WIND IS BLOWING FROM THE  
 NORTH 6.9 PERCENT OF THE TIME.

## WINDROSE

GILT EDGE MINE  
 PERIOD: JULY 1993  
 SEASON: SUMMER

BROHM MINING CORP.

DEADWOOD SD

JULY 1993

\*\*\* HOURLY SIGMA THETA WIND DIRECTION (DEG) \*\*\*

	HOURS																								AVG
DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	10	10	9	11	12	14	32	20	22	22	20	22	21	23	28	21	20	18	18	29	27	19	14	9	19
2	9	11	10	11	56	35	18	13	13	14	14	13	16	15	16	15	15	14	14	15	14	12	13	12	16
3	11	12	13	13	11	11	11	13	21	53	48	36	30	27	25	27	24	24	27	28	27	29	23	24	24
4	23	22	20	19	19	20	22	21	21	21	22	21	22	22	22	21	23	29	25	20	19	18	21	19	21
5	19	19	19	19	20	19	17	18	19	19	20	22	21	20	23	26	23	20	18	19	19	17	16	17	20
6	17	16	18	17	16	16	19	17	19	21	21	22	27	23	21	26	26	45	18	22	39	21	27	18	22
7	13	11	11	13	15	17	15	15	19	22	30	25	30	35	46	35	36	18	16	16	14	12	33	22	22
8	22	19	25	32	15	40	9	10	16	19	29	21	20	18	19	20	23	18	25	23	18	18	16	15	20
9	16	15	16	16	16	12	11	18	21	25	45	37	43	37	16	19	15	20	61	38	14	9	12	12	23
10	12	72	19	28	32	23	45	18	17	20	21	22	60	65	25	21	18	16	18	17	16	17	19	26	27
11	21	17	19	19	28	14	14	23	36	34	24	43	26	35	22	14	22	19	14	16	13	12	10	10	21
12	9	10	9	12	11	10	11	12	11	18	62	32	38	34	25	20	47	31	18	30	28	24	24	46	24
13	14	17	17	17	16	17	23	19	16	17	18	20	23	21	20	17	17	20	25	24	24	30	65	33	22
14	12	7	10	15	12	11	12	10	12	13	12	21	21	25	27	10	11	10	11	10	13	13	20	26	14
15	14	13	14	18	18	20	27	41	75	43	14	23	23	26	41	22	29	20	39	26	13	24	14	21	26
16	23	25	12	13	9	16	12	8	25	30	27	35	59	51	19	22	17	20	18	18	17	19	17	19	22
17	15	16	27	15	17	18	20	28	61	29	16	17	60	33	27	34	27	14	18	10	13	14	11	33	24
18	68	12	44	15	13	20	65	23	44	19	24	36	26	19	20	21	20	21	18	19	17	16	17	17	26
19	19	29	22	30	35	13	13	16	43	27	62	19	24	21	19	21	33	28	15	18	16	13	10	10	23
20	25	16	11	14	14	13	15	12	12	20	23	15	15	14	18	15	15	13	15	13	13	21	33	51	18
21	57	36	12	11	10	11	10	11	10	12	12	14	15	19	16	16	17	15	14	16	56	54	37	37	22
22	35	16	74	41	56	59	14	13	15	22	23	21	17	19	20	19	53	26	29	18	16	19	14	14	27
23	11	12	14	19	26	16	17	19	35	31	22	23	24	19	21	20	17	31	45	34	27	39	12	12	23
24	13	12	16	54	73	32	15	20	21	45	24	15	14	13	27	26	19	19	18	18	19	17	17	17	24
25	18	17	17	17	17	16	16	16	18	24	25	29	36	33	31	32	29	28	37	54	13	14	11	9	23
26	10	11	9	11	15	12	14	25	20	13	15	17	21	49	21	21	60	31	21	20	23	34	23	18	21
27	20	19	19	22	22	21	20	21	21	21	21	20	19	19	21	20	18	18	18	19	18	17	17	18	20
28	16	16	15	15	17	15	14	15	22	20	32	48	47	39	38	30	20	24	17	18	13	12	10	10	22
29	10	11	13	16	15	15	14	16	17	18	25	17	23	14	21	17	15	18	18	13	11	9	10	12	15
30	17	18	17	19	20	23	18	16	19	21	19	22	28	31	25	24	27	38	22	32	15	19	38	46	24
31	77	21	52	13	19	20	15	15	12	24	58	21	21	30	27	21	18	18	18	18	17	18	17	15	24
AVG	21	18	19	19	22	19	19	17	24	24	27	24	28	27	24	22	24	22	22	22	19	20	20	21	

BROHM MINING CORP.

DEADWOOD SD

JULY 1993

## \*\*\* HOURLY ATMOSPHERIC STABILITY \*\*\*

## HOURS

DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	D	D	D	D	D	C	A	B	B	B	B	B	B	B	A	B	B	C	C	A	A	B	C	D
2	D	D	D	D	A	A	C	D	D	C	C	D	C	C	C	C	C	C	C	C	C	D	D	D
3	D	D	D	D	D	D	D	D	B	A	A	A	A	A	A	A	A	A	A	A	A	A	B	A
4	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	A	A	B	B	C	B	B
5	B	B	B	B	B	B	B	C	B	B	B	B	B	B	B	A	B	B	C	B	B	C	A	C
6	C	C	C	C	C	C	C	C	B	B	B	B	A	B	B	A	A	A	C	B	A	B	A	C
7	D	D	D	D	C	C	C	C	B	B	A	A	A	A	A	A	A	C	C	C	C	D	A	B
8	B	B	A	A	C	A	D	D	C	B	A	B	B	C	B	B	B	C	A	B	C	C	C	C
9	C	C	C	C	C	D	D	C	B	A	A	A	A	A	C	B	C	B	A	A	C	D	D	D
10	D	A	B	A	A	B	A	C	C	B	B	B	A	A	A	B	C	C	C	C	C	C	B	A
11	B	C	B	B	A	C	C	D	B	A	A	A	A	A	B	C	B	B	C	C	D	D	D	D
12	D	D	D	D	D	D	D	D	D	C	A	A	A	A	A	B	A	A	C	A	A	A	A	A
13	C	C	C	C	C	C	B	B	C	C	C	B	B	B	B	C	C	A	A	A	A	A	A	A
14	D	E	D	C	D	D	D	D	D	D	D	B	B	A	A	D	D	D	D	D	D	D	B	A
15	C	D	C	C	C	B	A	A	A	A	C	B	B	A	A	B	A	B	A	A	D	A	C	B
16	B	A	D	D	D	C	D	E	A	A	A	A	A	A	B	B	C	B	C	C	C	B	C	B
17	C	C	A	C	C	C	B	A	A	A	C	C	A	A	A	A	A	C	C	D	D	C	D	A
18	A	D	A	C	D	B	A	B	A	B	A	A	A	B	B	B	B	A	C	B	C	C	C	C
19	B	A	B	A	A	D	D	C	A	A	A	B	A	B	B	B	A	A	C	C	C	D	D	D
20	A	C	D	C	C	D	C	D	D	B	B	C	C	C	C	C	C	D	C	D	D	B	A	A
21	A	A	D	D	D	D	D	D	D	D	D	C	C	B	C	C	C	C	C	C	A	A	A	A
22	A	C	A	A	A	A	C	D	C	B	B	B	C	B	B	B	A	A	A	C	C	B	C	C
23	D	D	C	B	A	C	C	B	A	A	B	B	A	B	B	B	C	A	A	A	A	A	D	D
24	D	D	C	A	A	A	C	B	B	A	A	C	C	D	A	A	B	B	C	C	B	C	C	C
25	C	C	C	C	C	C	C	C	C	A	A	A	A	A	A	A	A	A	A	A	D	C	D	D
26	D	D	D	D	C	D	C	A	B	D	C	C	B	A	B	B	A	A	B	B	B	A	B	C
27	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	C	C	C	B	C	C	C	C
28	C	C	C	C	C	C	C	C	B	B	A	A	A	A	A	A	B	A	C	C	D	D	D	D
29	D	D	D	C	C	C	C	C	C	C	A	C	B	C	B	C	C	C	C	D	D	D	D	D
30	C	C	C	B	B	B	C	C	B	B	B	B	A	A	A	A	A	A	B	A	C	B	A	A
31	A	B	A	D	B	B	C	C	D	A	A	B	B	A	A	B	C	C	C	C	C	C	C	C

JULY 1993

	HOURS																								AVG
DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	53	52	53	53	54	55	56	52	51	51	53	57	59	60	62	62	62	62	62	62	61	59	57	55	57
2	55	55	54	54	54	51	49	49	50	54	56	58	60	62	64	66	67	68	68	67	65	63	62	62	59
3	61	60	60	60	60	58	58	60	61	65	67	65	59	64	65	65	63	63	63	61	58	55	49	47	60
4	46	45	45	45	45	45	46	46	46	47	48	51	52	53	55	56	57	56	54	52	52	51	49	49	50
5	49	48	49	48	48	48	48	48	49	50	52	54	54	53	54	52	52	53	54	54	53	51	50	49	51
6	49	49	48	47	47	47	48	49	51	53	55	56	57	55	56	58	60	59	57	56	46	43	44	45	51
7	45	47	46	46	46	45	45	46	49	51	53	54	57	58	60	60	60	60	60	60	59	58	55	51	53
8	50	50	51	51	51	50	51	53	55	56	53	52	55	55	57	57	60	60	55	61	61	59	54	53	55
9	54	53	52	52	51	52	52	53	57	61	65	66	67	67	66	67	68	69	66	63	64	62	62	62	60
10	61	60	56	53	54	54	54	54	53	55	55	55	60	65	65	63	57	55	53	52	51	52	51	49	56
11	48	48	47	47	46	46	46	48	52	55	57	58	57	58	59	59	62	63	62	62	60	59	58	57	55
12	57	56	56	56	56	55	57	60	62	67	75	75	70	71	74	73	68	67	68	68	66	63	62	62	64
13	61	59	57	55	54	52	51	50	49	48	48	50	51	51	51	51	53	54	55	55	54	52	51	53	
14	52	51	51	51	51	51	51	52	55	57	59	64	76	72	65	69	69	68	65	64	65	67	67	61	
15	68	69	72	74	76	75	73	72	73	75	76	78	81	84	83	81	82	83	85	82	80	76	74	76	77
16	72	71	68	67	67	67	68	68	68	66	66	67	70	72	71	76	77	73	72	72	70	68	67	65	70
17	65	65	66	66	66	65	63	64	64	65	68	74	80	82	81	82	81	79	76	75	76	76	74	74	72
18	74	72	72	72	72	73	72	72	70	71	73	76	78	75	77	80	80	80	80	80	78	75	72	68	75
19	65	64	64	64	66	68	69	71	75	78	82	81	82	83	83	83	82	82	82	82	80	76	73	71	75
20	71	72	73	71	71	72	76	77	77	82	85	85	85	83	84	84	87	86	84	79	82	79	74	66	79
21	64	66	65	65	67	66	66	66	67	71	75	78	80	82	85	85	86	87	86	84	86	80	75	74	75

BROHM MINING CORP.

DEADWOOD SD

AUGUST 1993

## \*\*\* WIND SPEED SUMMARY \*\*\*

	HOURS																								AVG
DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	5.6	5.2	5.8	7.2	6.8	6.6	7.3	7.5	6.8	7.8	7.8	10.1	8.5	10.6	10.0	9.7	9.4	9.7	8.4	7.3	5.6	3.8	4.8	5.3	7.4
2	5.6	5.8	5.7	5.9	6.3	5.2	5.5	6.3	5.7	6.2	6.8	7.7	8.6	9.1	8.4	8.1	8.3	7.9	8.6	7.3	9.1	7.2	7.9	7.6	7.1
3	6.5	6.3	6.3	6.7	6.4	5.9	5.3	5.2	5.8	5.1	5.6	7.5	7.3	7.6	7.2	6.2	6.8	6.8	6.4	5.5	3.7	4.1	4.4	6.1	6.0
4	6.5	3.0	3.0	3.2	5.4	3.6	4.2	3.9	2.7	2.0	3.5	4.7	4.7	5.0	5.3	6.0	6.1	5.4	4.8	4.6	4.8	4.5	4.8	6.5	4.5
5	8.3	8.0	5.2	3.7	4.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.9
6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
AVG	6.5	5.7	5.2	5.3	5.8	5.3	5.6	5.7	5.3	5.3	5.9	7.5	7.3	8.1	7.7	7.5	7.7	7.5	7.1	6.2	5.8	4.9	5.5	6.4	

BROHM MINING CORP.

DEADWOOD SD

AUGUST 1993

\*\*\* WIND DIRECTION SUMMARY \*\*\*

## HOURS

[illegible]

BROHM MINING CORP.

DEADWOOD SD

AUGUST 1993

## \*\*\* WIND FREQUENCY SUMMARY \*\*\*

DIR--- SPEED (MPH)	N	NNE	NE	ENE	E	ESE	SE	SSE	S	SSW	SW	WSW	W	WNW	NW	NNW	TOTAL
0.3 - 3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	1.0	1.0	0.0	4.0
3.1 - 5.0	1.0	1.0	1.0	3.0	1.0	3.0	2.0	0.0	0.0	0.0	1.0	0.0	4.0	1.0	2.0	0.0	19.8
5.1 - 10.0	3.0	0.0	1.0	2.0	1.0	0.0	1.0	1.0	3.0	1.0	0.0	1.0	0.0	4.0	19.8	36.6	74.3
10.1 - 17.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
17.6 - 22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22.1 - 30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30.1 - 40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
40.1 - 50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OVER 50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	4.0	1.0	2.0	5.0	2.0	3.0	3.0	1.0	3.0	2.0	2.0	1.0	4.0	5.9	22.8	38.6	
AVG. SPEED	5.6	3.5	5.0	5.2	5.1	4.6	5.2	8.3	6.9	4.1	3.3	5.4	3.8	5.0	5.9	7.7	

CALM HOURS= 0.0% TOTAL HOURS WITH BOTH SPEED AND DIRECTION= 101 AVERAGE WIND SPEED= 6.2 (MPH)

RESULTANT WINDSPEED= 4.1 (MPH) RESULTANT WIND DIRECTION=331.8 DEG. WIND PERSISTENCE= 66.0%

BROHM MINING CORP.

DEADWOOD SD

AUGUST 1993

\*\*\* HOURLY SIGMA THETA WIND DIRECTION (DEG) \*\*\*

DAY	HOURS																								AVG
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	16	16	15	13	14	16	18	18	20	21	22	20	22	21	21	21	21	20	20	21	18	16	16	15	18
2	15	15	16	14	12	10	11	11	16	21	23	24	22	21	22	22	23	21	22	21	21	20	20	19	18
3	20	19	19	19	18	18	19	21	19	21	21	23	23	24	24	27	22	22	24	21	21	23	31	9	21
4	14	15	19	26	17	23	25	16	22	45	30	35	42	41	42	33	39	34	35	24	14	15	9	10	26
5	8	11	16	44	81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32
6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
AVG	15	15	17	23	28	17	18	17	19	27	24	26	27	27	27	26	26	24	25	22	19	19	19	13	

BROHM MINING CORP.

DEADWOOD SD

AUGUST 1993

\*\*\* HOURLY ATMOSPHERIC STABILITY \*\*\*

HOURS

[illegible]

BROHM MINING CORP.

DEADWOOD SD

AUGUST 1993

## \*\*\* TEMPERATURE SUMMARY (DEG F) \*\*\*

	HOURS																								AVG
DAY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	56	56	55	55	55	55	55	55	56	58	60	61	62	62	63	63	63	63	62	61	60	57	56	55	59
2	55	54	54	53	53	53	52	52	53	56	58	60	59	59	59	59	60	60	57	54	52	49	49	48	55
3	47	46	46	45	45	45	44	44	44	44	45	47	47	48	49	51	52	52	53	52	51	48	47	46	47
4	45	46	46	48	49	48	49	49	52	54	55	55	57	59	59	59	58	59	59	58	57	55	54	53	53
5	51	52	52	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52
6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
AVG	51	51	51	51	51	50	50	50	51	53	55	56	56	57	58	58	58	59	58	56	55	52	52	51	
MINIMUM T =		44	MAXIMUM T =		63	AVERAGE T =		54	NUMBER OF HOURS OF DATA =															100	



September 14, 1993

Mr. Tom Durkin  
SD Dept. of Env. and Natural Resources  
Joe Foss Bldg.  
523 E. Capitol Ave.  
Pierre, SD 57501

Dear Tom:

Enclosed please find the 1993 4th quarter water quality data, field parameters and corresponding diskette. If you have any questions or need additional information, please don't hesitate to contact me.

Sincerely,

BROHM MINING CORP.

Stan Michals  
Environmental Technician

Enclosures

SM:sm

smw4qtr-h2o.sm

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BROHM MINING CORP  
4th QUARTER 1993  
WATER QUALITY FIELD DATA

SITE	DATE	TIME	TEMP	PH	Cond	DTW
BED-11	8-26-93	15:00	10.4	7.1	500	8.13
BED-15	8-27-93	14:55	11.8	11.55	520	2.5
BED-18	8-30-93	15:40	10.5	6.55	120	221.39
BES-15	8-27-93	14:15	14.6	7.02	630	18.25
BES-17	8-05-93	14:35	9.6	6.73	240	6.0
GW-01	8-25-93	14:15	12.1	6.64	540	6.41
GW-02	8-12-93	15:40	10.9	5.84	740	8.76
GW-03	8-19-93	14:15	11.6	5.12	1240	5.15
GW-04	8-18-93	14:00	9.3	7.27	230	72.52
GW-05	8-26-93	13:30	5.38	9.4	340	19.14
GW-06	8-17-93	14:30	9.8	6.38	360	13.17
GW-07	8-16-93	14:45	12.4	2.55	2000+	10
GW-08	8-03-93	14:40	7.6	7.45	490	28.15
GW-09	8-17-93	13:35	10.8	6.42	270	46.8
GW-10	8-26-93	10:35	12.6	6.97	230	205.43
GW-11	8-24-93	14:20	9.6	6.68	370	125.41
GW-12	8-03-93	15:35	9.3	6.93	260	13.82
DW-1	8-30-93	13:30	16	6.8	450	NA
DW-2	8-30-93	13:45	18	7.4	390	NA
SITE	DATE	TIME	TEMP	PH	Cond	FLOW
SW-01	8-13-93	14:30	19.5	6.43	70	stagnant
SW-02	8-09-93	14:30	22.8	2.77	1640	37
SW-03	8-12-93	11:30	14.5	7.53	240	1536
SW-03A	8-10-93	11:15	16.2	7.78	220	1607
SW-04	8-10-93	10:40	14.7	7.19	720	0.5
SW-05	8-10-93	14:05	20.2	7.89	230	1642
SW-06	8-11-93	15:45	17	7.12	370	287
SW-08	8-11-93	14:35	22.5	7.88	170	1479
SW-11	8-04-93	15:40	6.2	7.19	140	14
SW-28	8-05-93	15:20	15.4	4.75	720	4.6
SW-35	8-02-93	11:15	12.4	7.46	1140	10
FD-1	8-06-93	16:15	12.6	5.3	850 est.	<1
RUBY DUMP	8-02-93	10:30	4.1	2.78	2000+	22

BROWN MINING CORPORATION  
GILT EDGE MINE

LOCATION	DATE	TIME	CONDUCT- IVITY	HARDNESS	PH	SOLIDS DISSOLVE	SOLIDS SUSPEND	TURBIDITY	ALKALINITY BICARBONATE	CARBONATE CHLORIDE	CYANIDE TOTAL	CYANIDE MAD	CYANIDE FREE	FLUORIDE	NITROGEN AMMONIA	NITROGEN NITRATE	NITROGEN NITRITE	SULFATE
BED-11	08/26/93		566		7.56	286			122	149	0	1.5	<.010			<.050		162
BED-15	08/27/93		620		11.2	313			92	0	<10.0		7	<.010		<.050		106
BED-18	08/30/93		106		6.8	54			34	41.5	0	<.500	<.010	0.711		0.122	<.050	12.5
BES-15	08/27/93		746		7.11	372			166	202	0	4	<.010			0.1		212
BES-17	08/05/93		382		7.13	193			94	115	0	<.500	<.010			<.050		84.6
GW-1	08/25/93		666		6.92	336			244	298	0	0.5	<.010			<.050		103
GW-2	08/12/93		966		6.46	486			178	217	0	2.5	<.010			<.050		357
GW-3	08/18/93		1627		5.42	820			10	12.2	0	14	<.010			3.08		868
GW-4	08/18/93		363		8.04	183			116	142	0	0.5	<.010			<.050		63.6
GW-5	08/26/93		434		5.39	219			12	14.6	0	13	<.010			<.050		185
GW-6	08/17/93		556		6.81	281			68	83	0	3	<.010			<.050		193
GW-7	08/17/93		2620		2.87	1333			0	0	0	12	<.010			1.63		1933
GW-8	08/04/93		565		7.28	282			50	61	0	1	<.010	0.231		0.189	<.050	225
GW-9	08/17/93		329		6.86	166			50	61	0	<.500	<.010	<.050		0.194	<.050	111
GW-10	08/26/93		273		7.18	138			88	107	0	<.500	<.010	0.385		<.050	<.050	50
GW-11	08/24/93		383		7.17	193			88	107	0	<.50	<.010			<.050	<.050	92.3
GW-12	08/04/93		311		6.7	157			46	56.1	0	<.50	<.010	0.236		0.08	<.050	96.4
DW-1	08/30/93		505		6.24	255			16	19.5	0	10	<.010			1.43		192
DW-2	08/30/93		451		6.68	227			90	110	0	23	<.010			4.35		89.3
SW-1	08/13/93		82	30	7.03	41	20		32	39	0	<.500	<.010			<.050		11.5
SW-2	08/09/93		2020	536	2.96	1018	45		0	0	0	4.5	<.010			1.32		1000
SW-3	08/12/93		273	113	8.11	138	75		78	95.2	0	6	<.010			0.056		50
SW-3A	08/10/93		281	116	8.06	141	<10.0		78	95.2	0	5	<.010			<.050		50
SW-4	08/10/93		829	281	7.73	420	<10.0		148	181	0	3.5	<.010			<.050		253
SW-5	08/10/93		281	114	8.41	142	<10.0		80	92.7	2.4	5.5	<.010			<.050		42.8
SW-6	08/11/93		520	232	7.52	262	60		34	41.5	0	4	<.010			0.189		220
SW-8	08/11/93		215	89.9	8.43	108	<10.0		90	105	2.4	6	<.010			<.050		11.5
SW-11	08/04/93		210	87.2	6.99	105	<10.0		90	110	0	<.50	<.010	0.071		<.050	<.050	14.3
SW-28	08/05/93		1018	316	4.8	514	<10.0		2	2.44	0	4	<.010			0.06		528
SW-35	08/02/93		1396	451	7.88	704	<10.0		178	217	0	8	<.010	<.010	0.759	1.46	<.050	613
FD-1	08/06/93		1079	538	5.81	544	<10.0		34	41.5	0	10	<.010			1.98		494
RUBY DUMP	08/02/93		3220	997	2.92	1621	20		0	0	0	30	<.010			15.1		2300

BROWN MINING CORPORATION  
GILT EDGE MINE

LOCATION	DATE	TIME	ALUMINUM		ANTIMONY		ARSENIC		BARIUM		BERYLLIUM		BORON		CADMIUM		CALCIUM		CHROMIUM		COBALT	
			DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL
BED-11	08/26/93		<.050				<.001								0.001		95.9					
BED-15	08/27/93		<.050				0.001								<.001		43.5					
BED-18	08/30/93		<.050				0.004		0.03						<.001		8.91		<.001			
BES-15	08/27/93		<.050				0.002								<.001		73.8					
BES-17	08/05/93		0.108				0.018								0.002		45.1					
GW-1	08/25/93		<.050				0.005								<.001		92.2					
GW-2	08/12/93		<.050				<.001								0.002		120					
GW-3	08/18/93		1.27				<.001								0.056		235					
GW-4	08/18/93		<.050				0.003								<.001		52.5					
GW-5	08/26/93		0.812				<.001								0.002		38.1					
GW-6	08/17/93		<.050				<.001								<.001		75.5					
GW-7	08/17/93		13.1				0.022								0.12		161					
GW-8	08/04/93		0.051				0.003		0.064						0.005		82.1		0.002			
GW-9	08/17/93		<.050				0.002		0.102						0.002		43.9		0.001			
GW-10	08/26/93		<.050				0.015		0.008						0.002		32.9		<.001			
GW-11	08/24/93		0.131				0.008								<.001		47.5					
GW-12	08/04/93		0.002				0.004		0.029						0.001		41		<.001			
DW-1	08/30/93		0.066				0.002								0.008		53.4					
DW-2	08/30/93		<.050				<.001								0.002		52					
SW-1	08/13/93		0.194	0.956			0.002	0.005							0.002	0.003	7.71					
SW-2	08/09/93		47.6	51.3			0.067	0.077							0.058	0.061	138					
SW-3	08/12/93		0.116	0.818			<.001	0.003							0.002	0.004	30.5					
SW-3A	08/10/93		0.181	0.489			<.001	0.001							0.002	0.002	31.5					
SW-4	08/10/93		0.326	0.356			<.001	<.001							0.001	0.002	85					
SW-5	08/10/93		0.192	0.378			<.001	0.001							0.001	0.002	31.1					
SW-6	08/11/93		0.147	4.13			<.001	0.017							0.009	0.011	69					
SW-8	08/11/93		0.017	0.204			<.001	0.001							0.001	0.002	24					
SW-11	08/04/93		0.01	0.032			<.001	<.001	0.053	0.054					<.001	<.001	27.4		<.001	<.001		
SW-28	08/05/93		5.5	5.69			0.006	0.011							0.02	0.025	116					
SW-35	08/02/93		0.417	0.506			<.001	<.001	0.068	0.076					0.002	0.003	140		0.002	0.003		
FD-1	08/06/93		0.067	0.165			<.001	<.001							0.005	0.006	148					
RUBY DUMP	08/02/93		120	141			0.443	0.456							0.169	0.173	193					

BROWN MINING CORPORATION  
GILT EDGE MINE

LOCATION	DATE	TIME	POTASSIUM		SELENIUM		SILICON		SILVER		SODIUM		STRONTIUM		VANADIUM		ZINC		ANION	CATION	%BALANCE	ACIDITY	LAB NUMBE
			DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL	DISS.	TOTAL					
BED-11	08/26/93		3.12								8.56						0.071		5.86	6.32	3.82	<10.0	199308271
BED-15	08/27/93		14.9								16.2						0.06		3.34	3.41	1.03	0.0	199308311
BED-18	08/30/93		1.05		<.005				0.001		5.86						0.056		0.99	0.93	-3.03	<10.0	199308311
BES-15	08/27/92		3.6								70.1						0.71		7.84	7.95	0.94	16	199308311
BES-17	08/05/92		4.8								4.92						0.064		3.65	3.58	-0.88	<10.0	199308101
GW-1	08/25/93		2.16								5.95						0.082		7.04	6.98	-0.427	50	199308261
GW-2	08/12/93		1.64								8.48				<.050				11.05	11.44	1.73	76	199308171
GW-3	08/18/93		4.61								10.6				1.19				18.87	18.7	-0.452	42	199308231
GW-4	08/18/93		1.68								6.63				0.092				3.67	3.5	-2.28	<10.0	199308191
GW-5	08/26/93		2.85								5.91				0.227				4.45	4.73	3.05	94	199308271
GW-6	08/17/93		3.66								9.59				0.055				5.46	5.64	1.63	14	199308191
GW-7	08/17/93		1.21								18.2				4.17							1136	199308191
GW-8	08/04/93		5.37		<.005				<.001		12.4				<.050				5.73	5.86	1.28	<10.0	199308061
GW-9	08/17/93		1.57		<.005				0.001		5.44				0.085				3.32	3.11	3.27	12	199308191
GW-10	08/26/93		0.08		<.005				<.001		7.17				0.101				2.82	2.55	-4.88	<10.0	199308271
GW-11	08/24/93		1.56								8.73				0.314				3.67	3.41	-3.68	14	199308251
GW-12	08/04/93		1.61		<.005				<.001		4.88				0.057				2.94	2.7	-4.33	<10.0	199308061
DW-1	08/30/93		1.65								8.44				0.556				4.7	4.98	2.89	12	199308311
DW-2	08/30/93		1.73								14.1				0.779				4.62	4.68	0.43	18	199308311
SW-1	08/13/93		0.69								3.79				<.050	<.050			0.88	0.96	4.37	10	199308171
SW-2	08/09/93		2.8								9.95				2.22	2.68			21.02	19.83	-2.91	498	199308111
SW-3	08/12/93		1.89								4.14				<.050	<.050			2.77	2.49	-5.42	<10.0	199308171
SW-3A	08/10/93		1.92								3.85				0.066	0.102			2.74	2.57	-3.29	<10.0	199308111
SW-4	08/10/93		3.04								68.7				0.054	0.088			8.33	8.68	2.03	<10.0	199308111
SW-5	08/10/93		1.93								4.62				<.050	0.059			2.65	2.54	-2.12	0.0	199308111
SW-6	08/11/93		2.16								5.26				0.065	0.238			5.38	5.15	-2.18	<10.0	199308171
SW-8	08/11/93		1.91								3.86				<.050	<.050			2.21	2.01	-4.68	0.0	199308171
SW-11	08/04/93		1.17		<.005	<.005			<.001	<.001	3.36				<.050	<.050			2.11	1.92	-4.67	<10.0	199308061
SW-28	08/05/93		6.78								8.57				0.96	0.998			11.11	10.63	-2.21	38	199308101
SW-35	08/02/93		4.53		<.005	<.005			0.004	0.004	160				<.050	<.050			16.68	16.05	-1.79	<10.0	199308041
FD-1	08/06/93		3.6								8.57				0.355	0.372			11.38	11.66	1.21	28	199308101
RUBY DUMP	08/02/93		3.99								18.7				5.16	5.22						1248	199308041

BROHM MINING CORPORATION  
GILT EDGE MINE

LOCATION	DATE	TIME	POTASSIUM DISS. TOTAL	SELENIUM DISS. TOTAL	SILICON DISS. TOTAL	SILVER DISS. TOTAL	SODIUM DISS. TOTAL	STRONTIUM DISS. TOTAL	VANADIUM DISS. TOTAL	ZINC DISS. TOTAL	ANION	CATION	%BALANCE	ACIDITY	LAB NUMBE
BED-11	08/26/93		3.12				8.56			0.071	5.86	6.32	3.82	<10.0	199308271
BED-15	08/27/93		14.9				16.2			0.06	3.34	3.41	1.03	0.0	199308311
BED-18	08/30/93		1.05	<.005		0.001	5.86			0.056	0.99	0.93	-3.03	<10.0	199308311
BES-15	08/27/93		3.6				70.1			0.71	7.84	7.99	0.94	16	199308311
BES-17	08/05/93		4.8				4.92			0.064	3.65	3.58	-0.88	<10.0	199308101
GW-1	08/25/93		2.16				5.95			0.082	7.04	6.98	-0.427	50	199308261
GW-2	08/12/93		1.64				8.48			<.050	11.05	11.44	1.73	76	199308171
GW-3	08/18/93		4.61				10.6			1.19	18.87	18.7	-0.452	42	199308231
GW-4	08/18/93		1.68				6.63			0.092	3.67	3.5	-2.28	<10.0	199308191
GW-5	08/26/93		2.85				5.91			0.227	4.45	4.73	3.05	94	199308271
GW-6	08/17/93		3.66				9.59			0.055	5.46	5.64	1.63	14	199308191
GW-7	08/17/93		1.21				18.2			4.17				1136	199308191
GW-8	08/04/93		5.37	<.005		<.001	12.4			<.050	5.73	5.86	1.28	<10.0	199308061
GW-9	08/17/93		1.57	<.005		0.001	5.44			0.085	3.32	3.11	3.27	12	199308191
GW-10	08/26/93		0.08	<.005		<.001	7.17			0.101	2.82	2.55	-4.88	<10.0	199308271
GW-11	08/24/93		1.56				8.73			0.314	3.67	3.41	-3.68	14	199308251
GW-12	08/04/93		1.61	<.005		<.001	4.88			0.057	2.94	2.7	-4.33	<10.0	199308061
DW-1	08/30/93		1.65				8.44			0.556	4.7	4.98	2.89	12	199308311
DW-2	08/30/93		1.73				14.1			0.779	4.62	4.68	0.43	18	199308311
SW-1	08/13/93		0.69				3.79			<.050 <.050	0.88	0.96	4.37	10	199308171
SW-2	08/09/93		2.8				9.95			2.22 2.68	21.02	19.83	-2.91	498	199308111
SW-3	08/12/93		1.89				4.14			<.050 <.050	2.77	2.49	-5.42	<10.0	199308171
SW-3A	08/10/93		1.92				3.85			0.066 0.102	2.74	2.57	-3.29	<10.0	199308111
SW-4	08/10/93		3.04				68.7			0.054 0.088	8.33	8.68	2.03	<10.0	199308111
SW-5	08/10/93		1.93				4.62			<.050 0.059	2.65	2.54	-2.12	0.0	199308111
SW-6	08/11/93		2.16				5.26			0.065 0.238	5.38	5.15	-2.18	<10.0	199308171
SW-8	08/11/93		1.91				3.86			<.050 <.050	2.21	2.01	-4.68	0.0	199308171
SW-11	08/04/93		1.17	<.005 <.005		<.001 <.001	3.36			<.050 <.050	2.11	1.92	-4.67	<10.0	199308061
SW-28	08/05/93		6.78				8.57			0.96 0.998	11.11	10.63	-2.21	38	199308101
SW-35	08/02/93		4.53	<.005 <.005		0.004 0.004	160			<.050 <.050	16.68	16.09	-1.79	<10.0	199308041
FD-1	08/06/93		3.6				8.57			0.355 0.372	11.38	11.66	1.21	28	199308101
RUBY DUMP	08/02/93		3.99				18.7			5.16 5.22				1248	199308041

**PLANET INSURANCE COMPANY**  
**MADISON, WISCONSIN**

**APPLICATION FOR POLLUTION LEGAL LIABILITY INSURANCE**  
(Include 10K report, annual report, and flow chart of process if available.)

THIS IS AN APPLICATION FOR A **CLAIMS MADE** POLICY

1. NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

**Brohm Mining Corporation**

CONTACT NAME: **Dale Shay** TITLE: **Director of Environmental Affairs**

EPA IDENTIFICATION NUMBER(S): **N/A**

POST OFFICE ADDRESS: **P.O. Box 485, Deadwood, S.D. 57732**

TELEPHONE: ( **605** ) **578-2107**

LOCATIONS TO BE COVERED: **Gilt Edge Mine**

2. NAMED INSURED IS:  
\_\_\_\_ Partnership ☒ Corporation \_\_\_\_ Joint Venture \_\_\_\_ Other \_\_\_\_\_

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? **Since 1987**

4. SALES:

A) ESTIMATED (Ensuing Year): **9,000 ounces of gold**

B) LAST 5 YEARS: 19 **92** 19 **91** 19 **90** 19 **89** 19 **88**  
**Ounces of gold** **26,838** **30,302** **33,133** **17,160** **6,660**

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

**Open pit heap leach gold and silver mine started in 1987. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.**

6. DESCRIBE THE FACILITY OPERATIONS, INCLUDING MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (ATTACH A SITE DIAGRAM OUTLINING BUILDINGS, STORAGE AREAS, TANKS, ETC.): \_\_\_\_\_

**No waste treatment as disposal activities are applicable.**

7. PLEASE LIST: A. RAW MATERIALS USED AT LOCATION N/A  
 B. PROCESS MATERIALS USED AT LOCATION:  
 (Plating agents, degreasers, heat treating agents, cleaning solvents, etc.)  
 (Please use additional sheet if space provided is insufficient.)

DESCRIPTION	QUANTITY OF MATERIAL			METHOD OF STORAGE	
	PER YEAR	ANY ONE TIME	DRUM	UNDERGROUND TANK	ABOVEGROUND TANK
<u>B - See list attached</u>					

8. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSENEO OR INCREASED) THE RISK OF POLLUTION LIABILITY? \_\_\_ YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_

9. DO YOU HAVE AN ENVIRONMENTAL SAFETY COMMITTEE OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL? X YES \_\_\_ NO

IF SO, DESCRIBE THEIR DUTIES AND TO WHOM THEY REPORT: The Director of Environmental Affairs  
and his assistant report to the General Superintendent who has overall site  
responsibility for production, administrative and environmental matters.

10. ARE THERE ANY STATUTES, STANDARDS, OR OTHER CITY, STATE AND FEDERAL REGULATIONS RELATING TO THE PROTECTION OF THE ENVIRONMENT WHICH APPLY TO ANY LOCATION WITH WHICH YOU CANNOT AT PRESENT COMPLY? \_\_\_ YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_

11. EFFLUENT TREATMENT AND DISCHARGE:

COMPOSITION	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS	QTY/YR
	<u>N/A</u>			

12. SEMI-SOLID AND SOLID WASTE DISPOSAL:

A. ON-SITE DISPOSAL (LANDFILL, SURFACE IMPOUNDMENT, DEEPWELL INJECTION, ETC.)

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
	<u>N/A</u>		

FOR LANDFILLS OR SURFACE IMPOUNDMENTS, INDICATE SIZE, TYPE OF LINER, ANY MONITORING WELLS, LEACHATE COLLECTION.

B. OFF-SITE DISPOSAL

<u>COMPOSITION</u>	<u>ON-SITE STORAGE METHOD</u>	<u>LENGTH OF STORAGE</u>	<u>QTY/YR</u>	<u>DISPOSAL FACILITY</u>
	<b>N/A</b>			

13. TRANSPORTER INFORMATION:

	<u>1</u>	<u>2</u>	<u>3</u>
NAME OF WASTE HAULER	<b>N/A</b>		
EPA ID #			
STATE ID #			

14. AIR EMISSIONS:

<u>NATURE:</u>	<u>COMPOSITION:</u>
TOXIC GASES & VAPORS	<b>N/A</b>
IRRITANT GASES	<b>N/A</b>
MALODOROUS GASES & VAPORS	<b>N/A</b>
ASPHYXIANTS	<b>N/A</b>
AEROSOLS	<b>N/A</b>
DUST & ASH	<b>N/A</b>
VOLUME PER YEAR (WHERE KNOWN):	<b>N/A</b>

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS:

**N/A**

15. THE LOCATION'S SURROUNDING ENVIRONMENT:

A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE COVERED:

**Blackhills National Forest and Associated Forest Plant Community**

B. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES:  
**Homestake Mining Company (the oldest gold mine in North America) is located approximately 3 miles to the North West.**

16. ADDITIONAL INFORMATION: (SEE INFORMATION PREVIOUSLY SUBMITTED)

- A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.
- B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS, TYPE OF INVENTORY CONTROL, TESTING METHODS.

17. RECORD:

- A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR INTO LAND? \_\_\_\_ YES \_\_\_\_ ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

- B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

None

- C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY? \_\_\_\_ YES \_\_\_\_ ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\*NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corporation

By: J. C. Sowers, III (Title) Treasurer

Date: January 4, 1994

Agent/Broker: Marsh McLennan

Address: 1700 Lincoln, Suite 4900, Denver, CO 80203

**7B-LIST OF PROCESS MATERIALS USED AT GILT EDGE**

<u>Description</u>	<u>Per Year</u>	<u>Method of Any One Time</u>	<u>Storage</u>
Borax	23,400#	450# per week	Bag
Sodium Nitrate	4,680#	90# per week	Bag
Soda Ash	4,680#	90# per week	Bag
D.E.	60,800#	39# per week	Bags
L. P. Gas	36,365 gal.	-	Above
Zinc	72,800#	1,400# per week	Cans
Sulfuric Acid	50 gal.	-	glass container/drum
Lime		(Crusher is down)	
Caustic	(5) 55 gal. Drum per year		
Sodium Cyanide	312,000#	6,000# per week	Flow Bins
Peroxide		500,000#/1 lb./ton of ore	
Descalent	10,800 gallons per year		
Fluorospar	4,680#	450# per week	Bag
Lead Nitrate	1,500#	4# per day	Drums



MAY 11 1994

May 9, 1994

Ms. Nilsa Cabrera  
Marsh & McLennan, Inc.  
2200 Ross Ave. Ste. 3400  
Texas Commerce Tower  
Dallas, TX 75201-7900

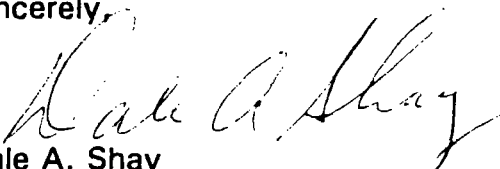
Dear Ms. Cabrera:

Brohm Mining Corporation has received a list of loss-prevention recommendations from ECS Underwriting, Inc. for our Pollution Policy No. NTD250951401/NTA250959301. The three recommendations require a response from BMC by June 1, 1994. Our response follows:

- 94-2-1: A decision to construct a treatment system in Strawberry Creek will not be made until final remediation of Strawberry Creek is completed later in 1994. At the time a decision is made, BMC will notify the ECS Pollution Underwriter.
- 94-2-2: The Anchor Hill reserve is not expected to be fully permitted for mining until mid-1995. The ECS Pollution Underwriter will be notified when the permits are complete.
- 94-2-3: BMC is currently negotiating with EPA approved laboratory furnace waste disposal sites for removal of our assay crucibles and cupels. When these materials are removed, the ECS Pollution Underwriter will be notified.

Should you have any additional questions, please feel free to notify us.

Sincerely,

  
Dale A. Shay  
Director Environmental Affairs

DS:sm

cc: Rod J. MacLeod, BMC  
J.C. Sowers, DMC

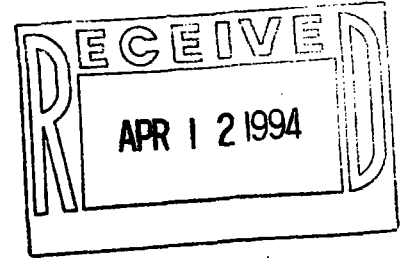
corresp\ossecs.das

South Dakota Office: P.O. Box 485, Deadwood, South Dakota 57732  
Telephone: (605) 578-2107 Telecopier: (605) 578-1709

Brohm Mining Corp. is a wholly owned affiliate of  Minven Gold Corporation

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123



## FAX TRANSMITTAL

Fax No. 573-1012  
Urgent: XX Routine:     

MARSH &  
MCLENNAN

To: J.C. Sowers  
Firm: Dakota Mining  
Dept.:       
City: Denver, Colorado

Date: 4/12/94 Time:       
No. Pages w/Cover: 3  
From: Cheryl Monger  
Phone: 831-5651

## SUBJECT:

J.C. Pollution

Following is a copy of the correspondence we received outlining loss prevention recommendations from ELS. ELS is requesting a written response by April 30, 1994.

The information contained in this facsimile message is confidential, may be privileged, and is intended only for the use of the individual or entity named above. If you, the reader of the message, are not the intended recipient, or the agent or employee responsible for delivering this transmission to the intended recipient, you are expressly prohibited from copying, disseminating, distributing or in any other way using any of the information contained in this facsimile message.

# DAKOTA MINING CORPORATION

410 17th Street, Suite 2450

Denver, Colorado 80202

Phone (303) 573-0221

FAX (303) 573-1012

## TELEFAX

DATE: 4/18/94  
TO: DALE SHAY  
FAX NO: ( ) -  
FROM: J. C. SOWERS  
PAGES: 1 OF 3 (INCLUDING THIS COVER PAGE)

REGARDING: *FINANCIAL ASSURANCE BOND COVERAGE*

MESSAGE: *PLEASE SEND ME A COPY OF YOUR RESPONSE  
TO THIS LETTER FROM ECS. THE MARSH MC  
PEOPLE HERE IN DENVER ARE ALSO INVOLVED.  
ALSO, LET ME KNOW IF RESPONDING TO THEM  
BY 4/30/94 IS NOT POSSIBLE.*

*Thanks,*  


PLEASE CALL (303) 573-0221 IF YOU HAVE ANY PROBLEMS RECEIVING

March 29, 1994

Mr. Dale Shay  
Dakota Mining Corporation/Brohm Mining Corporation  
P.O. Box 485  
Deadwood, SD 57732

**ECS**  
Underwriting  
Inc.

430 Eagleview Boulevard  
PO Box 636  
Exton, PA 19341-0636  
(215) 458-0570  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 458-8667

RE: LOSS PREVENTION RECOMMENDATION  
POLICY NUMBER: NTD250951401/NTA250959301

Dear Mr. Shay:

ECS is committed to helping you manage the risks you face at your facility. In furtherance of that goal, we have enclosed for your review engineering loss-prevention recommendations. The recommendations were developed by our risk assessment firm during their visit to your Gilt Edge Mine facility.

Your response to each recommendation is a key factor in evaluating the on-going insurability of risks.

We greatly appreciate your cooperation and trust we will receive a formal response to the recommendations by April 30, 1994. Please direct all correspondence through your broker of record, Ms. Nilsa Cabrera, at Marsh & McLennan, Inc.

Sincerely,

Richard Sheldon  
Underwriter  
Environmental Risk Management Department

RS/dmd

Enclosure(s)

cc: Scott Britt  
Stephanie Freedman

Ms. Nilsa Cabrera  
Marsh & McLennan, Inc.  
2200 Ross Avenue - Suite 3400  
Texas Commerce Tower  
Dallas, TX 75201-7900

**Summary of CSI Recommendations  
for  
Dakota Mining Corporation  
Gilt Edge Mine  
Deadwood, South Dakota**

To reduce the overall environmental risk potential associated with the Dakota Mining Corporation, Gilt Edge Mine facility, the following recommendations, with time frames for completion, are offered:

- 94-2-1 It is recommended that Dakota Mining Corporation notify the ECS Pollution Underwriter if construction of an interim treatment system will be required in Strawberry Creek at the Gilt Edge Mine, per United States Environmental Protection Agency, Region VIII Order on Consent, Docket No. OWA-VIII-93-36-C. (as applicable)
- 94-2-2 It is recommended that Dakota Mining Corporation notify the ECS Pollution Underwriter upon receipt of the permit(s) required to begin mining the Anchor Hill reserve at the Gilt Edge Mine. (as applicable)
- 94-2-3 It is recommended that the Dakota Mining Corporation properly dispose of laboratory furnace wastes currently being stored outside of the Gilt Edge Mine laboratory. (six months)



MinVen Gold Corporation

November 18, 1991

Jim Price  
Marsh & McLennan  
One United Bank Center  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

Dear Jim:

Re: Environment Insurance

The State of South Dakota is at it again. I am attaching a copy of a State of South Dakota Board Order which stipulates that within 9 months both Brohm Mining Corp. (Gilt Edge) and the Golden Reward Mine (copy of order not attached) will be required to post some form of financial assurance that any potential spill will be funded for clean-up.

You may want to look at the situation early to see what Marsh McLennan can obtain from underwriters. It will also give underwriters a chance to become familiar with the new law.

Once I have more definitive material from the minesite, I will be in touch with you.

Yours very truly,

MinVen Gold Corporation

David J. Layman  
Vice-President, Administration,  
Controller and Secretary

DJL:gm

*South Dakota*



GREAT FACES. GREAT PLACES.

DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

JOE FOSS BUILDING

513 EAST CAPITOL

PERRIE SOUTH DAKOTA 57501-3181

October 21, 1991

Mr. Pat Gochmour  
Brohm Mining Corporation  
P.O. Box 485  
Deadwood, South Dakota 57732

RE: Board of Minerals and Environment Order Regarding Financial  
Assurance for Operations Which Use Cyanide to Extract Gold

Dear Mr. Gochmour:

On October 18, 1991 the Board of Minerals and Environment issued orders concerning financial assurance to each of the large scale surface gold mines that use cyanide processing. The order issued to your operation is enclosed. The order requires the mine operator to submit within 120 days a report regarding the technical and financial ability of the mine operator to respond to potential accidental spills or chronic releases of cyanide solution. The report will be used by the Department and the Board to determine the amount and type of financial assurance required.

The text of the order differs from the draft order mailed to you on October 11, 1991. Sections 2 and 3 of the order were amended to allow the mine operator to have an opportunity to present evidence and testimony before the Board regarding the amount and type of financial assurance required for their operation.

Upon submission of the report to our office, we will begin calculation of financial assurance amount. We will be open to any suggestions you may have regarding the methods of determining the financial assurance amount. If you have any questions on this matter, please feel free to contact this office.

Sincerely,

*Michael Cepak*

Michael Cepak  
Office of Minerals and Mining  
Department of Environment and Natural Program  
Telephone: (605) 773-4201

Enclosure: Board Order

STATE OF SOUTH DAKOTA  
BOARD OF MINERALS AND ENVIRONMENT  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

IN THE MATTER OF FINANCIAL )	
ASSURANCE FOR OPERATIONS USING )	BOARD
CYANIDE TO EXTRACT GOLD OR )	ORDER
SILVER FROM ORE )	

TO: Brohm Mining Corporation  
P.O. Box 485  
Deadwood, South Dakota 57732

WHEREAS, the Board of Minerals and Environment approved the recommendations of the Cumulative Environmental Evaluation Task Force on September 19, 1991; and,

WHEREAS, one of the recommendations developed by the Task Force calls for the Board to issue an order requiring each of the large scale gold or silver surface mining operations that use cyanide for the extraction of gold or silver from ore to submit a report regarding the technical and financial ability of the mine operator to respond to potential accidental spills or chronic releases of cyanide; and,

WHEREAS, the recommendation calls for a dollar amount for the financial assurance required for each operation to be set by the Board and that an order be issued to each operator identifying the type and amount of financial assurance that must be posted; and,

WHEREAS, under current law, SDCL 45-6B-20.1 and 20.2, the Board may require any operator whose mining operation employs cyanide leaching or any other chemical or biological process to extract minerals from ore, to post financial assurance for responding to potential spills; and,

WHEREAS, under current law, SDCL 34A-10-2.1 and 2.2, the Board may require any person whose permitted activity could result in a significant risk of pollution, contamination or degradation of the environment to provide financial assurance guaranteeing the performance of corrective actions to contain, mitigate and remediate all pollution, contamination or degradation which may be caused by such activity; and,

WHEREAS, Brohm Mining Corporation, hereinafter "Brohm", P.O. Box 485, Deadwood, South Dakota 57732, is the operator of a large scale gold and silver surface mining operation, Mine Permit No.

439, that employs the cyanide leaching process to extract minerals from ore:

NOW, THEREFORE, the Board of Minerals and Environment hereby ORDERS that:

1. Within one hundred twenty days from issuance of this order, Brohm Mining must submit a report to the Department which shall include the following information:
  - (a) An identification and description of the most likely scenario for an accidental spill or overflow;
  - (b) An identification and description of the most likely scenario for a chronic release of cyanide containing process solutions;
  - (c) A description of the best available remedial technology that could be feasibly used to contain, remediate, or mitigate the spill and chronic release scenarios;
  - (d) A description of site-specific mitigating factors including distance to surface water and ground water and their beneficial use classifications; the type and amount of chemicals used in the processing of ore; safeguards built into the processing system that lessen the likelihood of accidental releases; and any other site-specific factor related to the protection of public health and safety or the environment;
  - (e) The technical and financial capability of the operator to respond to and remediate the identified accidental spill and chronic release scenarios; and
  - (f) The estimated costs of responding to and remediating the accidental spill and chronic releases identified.
2. Upon submission of the report, the Department shall within thirty days calculate a dollar amount for the financial assurance required for the Brohm operation in accordance with SDCL 45-6B-20.1. The Department shall notify the Board and Brohm of the amount calculated.
3. The Board will set a hearing to consider the Department's calculation and any evidence or testimony presented by Brohm regarding the amount and type of financial assurance. The Board will review the Department's calculation, and evidence and testimony given, and will establish the amount and type of financial assurance required. The Board will notify Brohm to file or deposit the required financial assurance with the Department.
4. Pursuant to SDCL 45-6B-20.2, Brohm shall file or deposit with the Department the required financial assurance within

one hundred twenty days of notification by the Board.

Dated and signed this 18<sup>th</sup> day of Oct, 1991.

FOR THE BOARD OF MINERALS & ENVIRONMENT

Richard P. Sweetman

Richard Sweetman, Chairman

**MARVIN D. TRUHE**

**LAW OFFICES**

FIRST FEDERAL PLAZA - 5TH FLOOR

P.O. BOX 8108

RAPID CITY, SOUTH DAKOTA 57709

TELEPHONE (605) 342-2800

MARVIN D. TRUHE  
DALE R. COCKRELL

TELECOPIER  
(605) 342-2801

September 14, 1992

Mr. Richard Sweetman  
Chairman of the Board of  
Minerals and Environment  
P. O. Box 84140  
Sioux Falls, SD 57118

Re: Financial Assurance for Brohm Mining Corp.

Dear Dick:

I am writing on behalf of Brohm Mining Corp. in connection with their obligation to provide financial assurance to the State for environmental cleanup costs. As you recall, at the May, 1992, Board of Minerals and Environment hearing in Pierre, Brohm was given some options with regard to the financial assurance requirement. The option that Brohm has been working on with their regular insurance carrier is to provide an insurance policy to the State whereby payment would be made directly to the State in the event that Brohm failed to take corrective action following an environmental incident. The Board directed that the financial assurance instruments were to be provided to the State for review within 120 days of the Board meeting. That deadline is September 18, 1992.

The reason I am writing is that Brohm will be unable to meet that deadline because their insurance carrier is still struggling with how to draft an appropriate policy. We have advised the insurance company of the type of policy that we think is required, namely, that the insurance would not be payable to the company, but instead, would be payable directly to the State. In addition, the policy would only be payable in the event that the company failed to conduct the cleanup itself. This apparently is a case of first impression for the insurance industry. The insurance carrier is familiar with the standard environmental insurance policy that provides for payment directly to a company for an environmental cleanup, but they are trying to formulate a new type of policy that would fulfill our state statutory requirements for financial assurance.

Accordingly, Brohm requests that the Board grant an extension of time for Brohm to work with their insurance carrier, or perhaps another insurance carrier, as well as with the State, to formulate

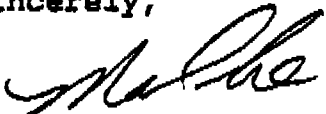
Mr. Richard Sweetman  
Page 2  
September 11, 1992

a policy acceptable to the State. Once the policy is approved, I assume that the State could use it thereafter as a form policy for other companies that elected to provide financial assurance in the form of an insurance policy. If an acceptable policy cannot be provided, Brohm will have to provide another type of financial assurance.

*this week.*  
Brohm's general manager, Jim Barron, will be available at the BME hearing ~~next week~~ in Lead to answer any questions that you or the Board might have in connection with the requested extension.

Thank you for your consideration.

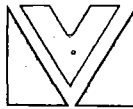
Sincerely,



Marvin D. Truhe

MDT:nlb

cc: Ms. Roxanne Giedd  
Mr. James N. Barron



RECEIVED JUN 11 1992

MinVen Gold Corporation

**MEMORANDUM**

TO: Mr. Martin Quick  
Vice-President, South Dakota Operations

FROM: David J. Layman

DATE: June 8, 1992

SUBJECT: Pollution Legal Liability - Gilt Edge

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Enclosed is a copy of the form of insurance for Pollution Legal Liability. I have obtained a copy of the form for you to run by your staff and South Dakota legal counsel to ensure that it meets the requirements set forth by the state for bonding requirements.

The Underwriting Group is expected to be the American Insurance Group ("AIG"). The forms enclosed are from a different group but outline the exclusions considered in a policy of this form.

The underwriting group will be contacting you, in the near future, to make arrangements for a site inspection of Gilt Edge. All things being equal a policy should be in force within four weeks, well within the schedule required by the state.

NATIONAL UNION  
FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA.

A CAPITAL STOCK COMPANY



EXECUTIVE OFFICES

70 PINE STREET, NEW YORK, N.Y. 10270

NAMED  
INSURED  
AND  
POST  
OFFICE

**SPECIMEN**

**POLLUTION LEGAL LIABILITY**

**DECLARATIONS**

THIS IS A CLAIMS-MADE POLICY - PLEASE READ CAREFULLY

POLICY NUMBER: PLL

Item 1: NAMED INSURED \_\_\_\_\_

ADDRESS \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Item 2: POLICY PERIOD

FROM \_\_\_\_\_ TO \_\_\_\_\_

12:01 A.M. standard time at the address of the NAMED INSURED shown above.

Item 3: LIMIT OF LIABILITY, up to \$ \_\_\_\_\_ each LOSS

\$ \_\_\_\_\_ Total for all LOSSES

Item 4: RETENTION \$ \_\_\_\_\_ each LOSS

Item 5: COVERED LOCATION(s) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Item 6: POLICY PREMIUM \$ \_\_\_\_\_

Item 7: EXTENDED DISCOVERY CLAUSE DATE \_\_\_\_\_

Broker:

\_\_\_\_\_  
Authorized Representative



# POLLUTION LEGAL LIABILITY

## NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

(a capital stock company, herein called the Company)

70 PINE STREET, NEW YORK, N.Y. 10270

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, agrees with the NAMED INSURED as follows:

### I. INSURING AGREEMENT

To indemnify the INSURED against LOSS the INSURED has or will become legally obligated to pay as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.

### II. DEFINITIONS

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. LOSS means:
  - 1. monetary awards or settlements of compensatory damages arising from:
    - a. BODILY INJURY as defined herein, or
    - b. PROPERTY DAMAGE as defined herein, and
  - 2. costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom, caused by POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.
- D. PROPERTY DAMAGE means:
  - 1. physical injury to or destruction of tangible property including the resulting loss of use thereof,
  - 2. clean up costs,
  - 3. loss of use of tangible property that has not been physically injured or destroyed;provided that such physical injury or destruction, clean up costs and/or loss of use are caused by POLLUTION CONDITIONS emanating from locations designated in Item 5 of the Declarations.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. POLLUTION CONDITIONS means the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in BODILY INJURY or PROPERTY DAMAGE.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. AUTOMOBILE means a land motor vehicle, trailer or semi-trailer designed for travel on public roads including any machinery or apparatus attached thereto.
- I. CLAIM means the assertion of a legal right alleging liability or responsibility on the part of the NAMED INSURED, arising out of POLLUTION CONDITIONS, and shall include but not necessarily be limited to law suits or petitions filed against the NAMED INSURED.

### III. TERRITORY

This policy only applies to CLAIMS arising from POLLUTION CONDITIONS in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

### IV. EXCLUSIONS

This insurance does not apply to LOSS:

- 1. arising from POLLUTION CONDITIONS existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such POLLUTION CONDITIONS could have been expected to give rise to a CLAIM.
- 2. from CLAIMS seeking non-pecuniary relief;
- 3. arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendments of 1978 or the Clean Water Act of 1977 as amended 1978, or any "deepwater port" as defined in the Deepwater Port Act

- of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well of any nature whatsoever;
4. arising under any worker's compensation, unemployment compensation or disability benefits law or similar law;
  5. arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
  6. arising as a result of liability of others assumed by the INSURED under any contract or agreement;
  7. arising as a result of PROPERTY DAMAGE or BODILY INJURY to or at the location(s) designated in Item 5 of the Declarations, even if such PROPERTY DAMAGE or BODILY INJURY is incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
  8. arising from clean up costs incurred for the remediation of soil and/or groundwater contamination to or at the location(s) designated in Item 5 of the Declarations, even if such clean up costs are incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
  9. arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock;
  10. arising from POLLUTION CONDITIONS emanating from the location(s) designated in Item 5 of the Declarations, once such location(s) are sold, leased, given away, abandoned or operational control has been relinquished;
  11. A. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE
    1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    2. resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL, if
    1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
    2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
    3. the BODILY INJURY or PROPERTY DAMAGE arises out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.
  - C. As used in this exclusion:

"HAZARDOUS PROPERTIES" include radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BY PRODUCT MATERIAL;

"SOURCE MATERIAL," "SPECIAL NUCLEAR MATERIAL," and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

    - (a) any NUCLEAR REACTOR,
    - (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
    - (c) any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if at any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
    - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of WASTE, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"PROPERTY DAMAGE" includes all forms of radioactive contamination of property;
  12. arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under his name including any container thereof, or any reliance upon a representation or warranty made at any time

with respect thereto, but only if the BODILY INJURY OR PROPERTY DAMAGE occurs away from premises owned, operated or leased to the INSURED or after physical possession of such has been relinquished to others.

13. arising out of operations performed by or on behalf of the INSURED or reliance upon a representation or warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after such operations have been completed or abandoned and occurs away from premises owned, operated or leased to the INSURED. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:
  - a. When all operations to be performed by or on behalf of the INSURED under the contract have been completed.
  - b. When all operations to be performed by or on behalf of the INSURED at the site of the operations have been completed, or
  - c. When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
14. due to PROPERTY DAMAGE to goods or products manufactured, sold, handled or distributed by the INSURED arising out of such goods or products or any part thereof, or due to PROPERTY DAMAGE to work performed by on or on behalf of the INSURED arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith.
15. arising from POLLUTION CONDITIONS based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.
16. arising from POLLUTION CONDITIONS based upon or attributable to acid rain conditions;
17. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

#### V. EXTENDED DISCOVERY PERIOD

The provisions of this Clause shall only apply if a period of at least 12 months has elapsed from the date set forth in Item 7 of the Declarations when the NAMED INSURED seeks to exercise the option hereunder.

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

1. Where cancellation or non-renewal is by the Company the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.
2. Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects POLLUTION CONDITIONS existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as non-renewal.

#### VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of any LOSS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All LOSS arising out of the same or related POLLUTION CONDITIONS at any one location shall be considered a single LOSS, and the limit of liability shown in Item 3 of the Declarations as applicable to "each loss" shall apply.

Subject to the foregoing, the Company's total liability for all LOSSES from CLAIMS first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Total for all LOSSES."

#### VII. CLAIM PROVISIONS

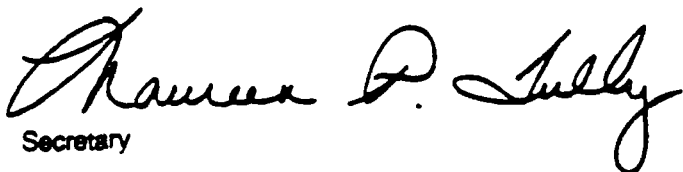
- a. In the event of a CLAIM, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible.
- b. If CLAIM is made against the INSURED, the INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED's representative.
- c. No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. The Company shall have the right but not the duty to designate legal counsel to associate in the investigation and the defense of a CLAIM. The INSURED shall not admit liability or settle any CLAIM without the Company's consent. If the Company recommends a settlement of a CLAIM:
  - (i) for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for any LOSS in excess of the retention;
  - (ii) for a total amount in excess of the balance of the retention and the INSURED refuses such settlement, the Company's liability for LOSS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED'S refusal which exceed the retention and fall within the Limit of Liability.

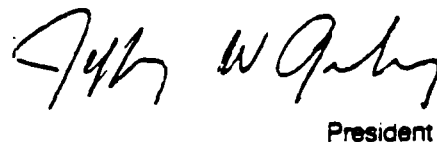
3. The Company shall have the right but not the duty to assume the adjustment and defense of any CLAIM. In case of the exercise of this right, the INSURED on demand of the Company, shall promptly reimburse the Company for any element of LOSS falling within the INSURED'S retentions. The INSURED shall assist and cooperate with the Company.

#### VIII. CONDITIONS

1. **INSPECTION AND AUDIT** - The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis the INSURED'S property or operations, at any time. Neither the Company's right to make inspections, sample and monitor nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. **CANCELLATION** - This policy may be cancelled by the NAMED INSURED by surrender thereof to the company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown in this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.  
  
If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
3. **DECLARATIONS** - By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. **ACTION AGAINST COMPANY** - No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgment against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.  
  
Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED'S liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve the Company of any of its obligations hereunder.
5. **ASSIGNMENT** - Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. **SUBROGATION** - In the event of any payment under this policy, the Company shall be subrogated to all the INSURED'S rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. **CHANGES** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. **SOLE AGENT** - The INSURED first named in Item 1 of the declarations shall act on behalf of all INSURED'S for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. **CHOICE OF LAW** - In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.
10. **OTHER INSURANCE** - Where other valid and collectible insurance is available to the NAMED INSURED for LOSSES covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
  1. This insurance shall apply as excess insurance over any other valid and collectible insurance be it primary or excess.
  2. Where this insurance is excess over other valid and collectible insurance, the company will pay only its share of the amount of LOSS, if any, that exceeds the total amount that all such other insurance will pay for the LOSS in the absence of this insurance.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized agent of the Company.

  
Secretary

  
President

**ENDORSEMENT**

**#(\*)**

**This endorsement, effective 12:01 A.M. (\*)date forms a part of policy No. (\*)policy issued to (\*)insured by National Union Fire Insurance Company of Pittsburgh, PA.**

**In the event the Named Insured is entitled by law to select independent counsel to defend the Named Insured at the Company's expense, the attorney fees and all other litigation expenses the Company must pay to that counsel are limited to the rates the Company actually pays to counsel the Company retains in the ordinary course of business in the defense of similar claims or "suits" in the community where the claim arose or is being defended.**

**Additionally, the Company may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending claims or "suits" similar to the one pending against the Named Insured and to require such counsel to have errors and omissions insurance coverage. As respects any such counsel, the Insured agrees that counsel will timely respond to the Company's request for information regarding the claim or "suit."**

**Furthermore, the Insured may at anytime, by its signed consent, freely and fully waive its right to select independent counsel.**

**AUTHORIZED REPRESENTATIVE**

ENDORSEMENT

#

This endorsement, effective 12:01 A.M. (\*)date forms a part of policy NO. (\*)policy issued to (\*)insured by National Union Fire Insurance Company of Pittsburgh, PA.

NONOWNED DISPOSAL SITE EXCLUSION

It is understood and agreed that this insurance does not apply to LOSS arising from the disposal of acids, alkalis, toxic chemicals, liquids or gases, waste material or other pollutants into specific disposal sites unless such specific disposal site is entered in Item 5 of the Declarations.

AUTHORIZED REPRESENTATIVE

2

ENDORSEMENT  
#(\*)

This endorsement, effective 12:01 A.M. (\*)date forms a part of policy No. (\*)policy issued to (\*)insured by National Union Fire Insurance Company of Pittsburgh, PA.

LIMITS OF LIABILITY  
(RELATED CLAIMS)

The total liability of the Company for:

Claims arising out of the same, interrelated, associated, repeated or continuous acts or omissions; and

Claims arising out of the same, interrelated, associated, repeated or continuous exposure to substantially the same general conditions;

shall be considered a single loss subject to the applicable limits of liability and shall be deemed first reported to the Company during the policy period in which the initial claim was first reported to the Company.

AUTHORIZED REPRESENTATIVE

**ENDORSEMENT**

This endorsement, effective 12:01 A.M. (\*)date forms a part of policy No. (\*)policy issued to (\*)insured by National Union Fire Insurance Company of Pittsburgh, PA.

**RADIOACTIVE MATTER EXCLUSION**

This policy does not apply to:

Loss arising from the actual, alleged or threatened exposure of person(s) or property to any radioactive matter except where specifically endorsed onto the policy.

**AUTHORIZED REPRESENTATIVE**

ENDORSEMENT

#(\*)

This endorsement, effective 12:01 A.M. (\*)date forms a part of policy No. (\*)policy issued to (\*)insured by National Union Fire Insurance Company of Pittsburgh, PA.

EXTENDED DISCOVERY PERIOD

It is hereby understood and agreed that Section V. - EXTENDED DISCOVERY PERIOD is deleted in its entirety and the following substituted therefore:

The NAMED INSURED shall be entitled to purchase an Extended Discovery Period upon termination of coverage as defined herein except in the event of nonpayment of premium.

- a. The Company shall issue an Extended Discovery Period of 12 months for all covered location or any specific location listed in Item 5 of the Declarations if the NAMED INSURED:
  - (1) makes a written request for it which the Company receives within 30 days after termination of coverage as defined herein;
  - (2) properly pays the additional premium when due. If that additional premium is paid when due, the Extended Discovery Period may not be cancelled, provided that all other terms and conditions of the policy are met.
- b. A claim first made and reported within the Extended Discovery Period will be deemed to have been made on the last day of the policy period, provided that the claim arises from a pollution condition that commenced before the end of the policy period.
- c. Termination of coverage means:
  - (1) Cancellation or nonrenewal of the policy by the NAMED INSURED or by the Company; or
  - (2) Deletion of a covered location from this policy by the company.
- d. The Extended Discovery Period is available to the NAMED INSURED for not more than 100% of the policy premium.

AUTHORIZED REPRESENTATIVE



5/11/92

MinVen Gold Corporation

TELEFAX

DATE: May 12/92

TO: Jim Price / Marsh McLennan

FROM: David Larsen

PAGE 1 OF 6

REGARDING:

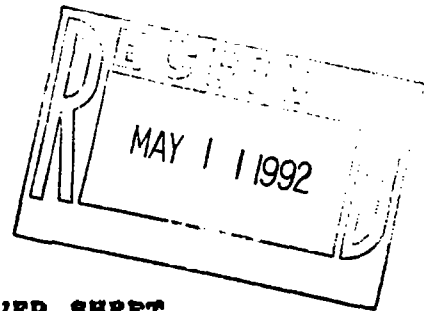
Pollution legal liability Application

MESSAGE:

Feel free to contact Myron Anderson  
at Gilt Edge (605-578-2107).

Not much information provided, but it is  
a start.

Please contact (303) 980-5615 if you do not receive all pages.  
Denver Fax # (303) 980-5302



## FACSIMILE TRANSMISSION COVER SHEET

DATE: 5-11-92  
NAME: David Layman  
FIRM: Minven  
FAX NO: 303-980-5302  
FROM: Brohm - Myron Andersen

NO. OF PAGES (including cover sheet) 6

COMMENTS: Financial Assurance-

I hope this helps - I know it's incomplete but  
to the best of my time constraints

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL: (605) 578-2107  
AS SOON AS POSSIBLE.

FACSIMILE OPERATOR: \_\_\_\_\_

FACSIMILE NUMBER: (605) 578-1709



NATIONAL UNION  
FIRE INSURANCE COMPANY  
OF PITTSBURGH, PA.

ADMINISTRATIVE OFFICES  
70 PINE STREET, NEW YORK, N.Y. 10270

**POLLUTION LEGAL LIABILITY APPLICATION**  
(Include 10K report, annual report, and flow chart of process if available.)

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY

1. NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

EPA IDENTIFICATION NUMBER(S): \_\_\_\_\_

POST OFFICE ADDRESS: \_\_\_\_\_

LOCATIONS TO BE COVERED: \_\_\_\_\_

2. NAMED INSURED IS:  
☐ Partnership ☐ Corporation ☐ Joint Venture ☐ Other \_\_\_\_\_

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? \_\_\_\_\_

4. SALES:  
A) ESTIMATED (Ensuing Year): \_\_\_\_\_

B) LAST 5 YEARS: 19\_\_\_\_ 19\_\_\_\_ 19\_\_\_\_ 19\_\_\_\_ 19\_\_\_\_

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

UNDERGROUND MINING, ORE CRUSHING, VAIL LEACHING, CYANIDE EXTRACTION OF GOLD  
~200K tons of tailings

8. DESCRIBE THE FACILITY OPERATIONS. INCLUDE MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (ATTACH A SITE DIAGRAM OUTLINING BUILDINGS, STORAGE AREAS, TANKS, ETC.): OPEN PIT MINING METHODS USED TO EXTRACT ORE AND WASTE

(4,103,388 TOTAL TONS IN 1991). HEAP LEACHING OF CRUSHED ORE OCCURS ON TRIPLE-LINED PADS, ~~DECREASING~~ DILUTE CYANIDE SOLUTION. AFTER LEACHING, ORE IS RINSED TO MEET GROUNDWATER STANDARDS OR BETTER PRIOR TO REMOVAL (WHICH IS APPROVED BY STATE).

7. PLEASE LIST:

A. RAW MATERIALS USED AT LOCATION:

B. PROCESS MATERIALS USED AT LOCATION:

(Plating agents, degreasers, heat treating agents, cleaning solvents, etc.)

(Please use additional sheet if space provided is insufficient.)

	DESCRIPTION	QUANTITY OF MATERIAL			METHOD OF STORAGE	
		PER YEAR	ANY ONE TIME	DRUM	UNDERGROUND TANK	ABOVEGROUND TANK
B.	DUPONT SODIUM CYANIDE	250,000 lbs.	39,000 lbs.	CONTAINERIZED FLOW BIN		ON DOUBLE-LINED CANON PAD W/ INSTALLED LEAK DETECT. AND RECOVERY SYSTEM.
B.	Hydrogen Peroxide (50%)	720,000 lbs.	80,000 <sup>lbs.</sup> MAX			STAINLESS STEEL TANK
B.	Diesel Fuel					X
B.	gasoline					X

8. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSENED OR INCREASED) THE RISK OF POLLUTION LIABILITY? ☒ Yes ☐ No

IF SO, GIVE DETAILS: 1) RELINED ENTIRE LEACH PAD 1989-90, 2) DECREASING RISK OF POLLUTION,

2) ELIMINATED PIPE PENETRATIONS THROUGH <sup>PAD</sup> LINERS - DECREASING POLLUTION RISK, 3) LOWERED POND LEVELS - DECREASING RISK, 4) LEASED REVERSE OSMOSIS SOLUTION PURIFICATION SYSTEM TO TREAT PROCESS SOLUTIONS AS NEEDED - DECREASING RISK

9. DO YOU HAVE AN ENVIRONMENTAL SAFETY COMMITTEE OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL? ☒ Yes ☐ No

IF SO, DESCRIBE THEIR DUTIES AND TO WHOM THEY REPORT: ENVIRONMENTAL MANAGER

10. ARE THERE ANY STATUTES, STANDARDS, OR OTHER CITY, STATE AND FEDERAL REGULATIONS RELATING TO THE PROTECTION OF THE ENVIRONMENT WHICH APPLY TO ANY LOCATION WITH WHICH YOU CANNOT AT PRESENT COMPLY? ☒ Yes ☐ No (EPA)

IF SO, GIVE DETAILS: Are presently applying for stormwater NPDES permits for active portion of mine for this type of discharge. We can meet standards for these permits. Also are applying for EPA NPDES permit for an historic mine discharge that currently is not in compliance. Once the permit is issued we will meet standards on this discharge, through an implemented treatment system.

11. EFFLUENT TREATMENT AND DISCHARGE:

COMPOSITION	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS	QTY/YR
spent ore:	must meet state groundwater standards to	land apply material.		
	No treatment of effluent discharge necessary	due to complete neutralization		

12. SEMI-SOLID AND SOLID WASTE DISPOSAL:

A. ON-SITE DISPOSAL (LANDFILL, SURFACE IMPOUNDMENT, DEEPWELL INJECTION, ETC.)

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
spent ore: same as above			

FOR LANDFILLS OR SURFACE IMPOUNDMENTS, INDICATE SIZE, TYPE OF LINER, ANY MONITORING WELLS, LEACHATE COLLECTION.

B. OFF-SITE DISPOSAL

on-site water impoundments

COMPOSITION	ON-SITE STORAGE METHOD	LENGTH OF STORAGE	QTY/YR	DISPOSAL FACILITY
surge pond <del>surge pond</del>	7.3 million gal capacity		triple 60 mil	HDPE liner system
D.E pond	150,000 gal capacity		double	" " "
Neutralization pond	600,000 "		double	" " "

All have leak detection, collection, recovery systems.

13. TRANSPORTER INFORMATION:

1

2

3

NAME OF WASTE HAULER			
EPA ID #			
STATE ID #			

14. AIR EMISSIONS:

NATURE:

COMPOSITION:

TOXIC GASES & VAPORS		
IRRITANT GASES		
MALODOROUS GASES & VAPORS		
ASPHYXIANTS		
AEROSOLS		

no vents out of

VOLUME PER YEAR (WHERE KNOWN): \_\_\_\_\_

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS: Air quality permits for crusher/screens, retort, and furnace.

15. THE LOCATION'S SURROUNDING ENVIRONMENT:

A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE

COVERED: surrounding property is a forested plant community with no human inhabitants

B. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES:

various Timber Sales

16. ADDITIONAL INFORMATION:

A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.

B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS, TYPE OF INVENTORY CONTROL, TESTING METHODS.

17. RECORD:

A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR ONTO LAND? ☒ Yes ☐ No

Rechecked a NOV for process solution accidental release in 1991, that IF SO, GIVE DETAILS: was expert cleaned up and the reason for the release fixed to prevent recurrence.

B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY? ☐ Yes ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

**\*NOTICE TO N.Y. APPLICANTS:**

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant \_\_\_\_\_

By \_\_\_\_\_  
(Title)

Date: \_\_\_\_\_

Agent/Broker \_\_\_\_\_

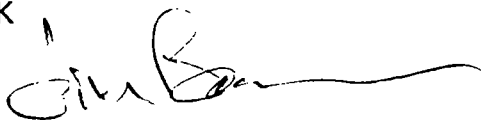
Address \_\_\_\_\_

IF AN ORDER IS RECEIVED, THE APPLICATION IS ATTACHED TO THE POLICY SO IT IS NECESSARY THAT ALL QUESTIONS BE ANSWERED IN DETAIL.



DATE: SEPTEMBER 22, 1992

TO: MARTIN QUICK

FROM: JIM BARRON 

SUBJECT: FINANCIAL ASSURANCE

As you will recall the 120 day time period for Brohm to supply to the State of South Dakota some form of financial assurance elapsed on September 18, 1992. At the Board of Minerals and Environment (BME) meeting of September 17, 1992 board action allowed for an additional 60 days within which time Brohm must supply financial assurance in the form of environmental insurance to the state. The attached letter from David Layman to me was copied and submitted to the board as evidence of our progress toward supplying such a form of financial assurance to the state.

It was because of the form of financial assurance, i.e., an insurance policy, that the board was willing to allow an additional 60 day time period to obtain this form of financial assurance. The state obviously feels more comfortable with such a type of financial assurance and because of that were willing to grant us this additional time to obtain this coverage. I feel we were fortunate in being allowed this additional time to supply this to the state and I believe that we simply must come up this insurance policy in finalized form prior to November 13, 1992, which is approximately one week before the BME meeting in November. As a precaution I recommend that we internally consider November 1, 1992, to be the deadline to supply this coverage. This will allow the state and the insurance carrier to hammer out any details that might be necessary after the policy is formed.

**MinVen Gold Corporation**

September 16, 1992

Jim Barron  
Brohm Mining Corp.  
P.O. Box 485  
Deadwood, S.D. 57732

**VIA TELECOPIER**

Dear Jim:

I have received a draft of the letter from Environmental Compliance Services, Inc. ("CCS") binding the coverage for Pollution Clean-Up coverage at the Gilt Edge Mine at \$286,000. Since my letter is of poor quality, I have asked Jim Price of Marsh McLennan to telecopy a copy of the draft letter to you.

Kindly be informed that Planet Insurance has a credit rating of A(minus) 11 per A.M. Best 1992 edition.

The quote provided by ECS provides that no coverage will be provided for claims arising from underground tanks and underground piping. It is my understanding that this does not refer to any process water pipe that may be buried. The final form of binder will clarify this.

Also be aware that the policy will be issued in the name of Brohm Mining Corp., as the named insured, since the insurance company, Reliance, must contract with the party owning the facilities. The State of South Dakota can be named as an additional insured but only Brohm would have the right to initiate a claim.

Please provide a date by which the insurance must be bound.

Yours very truly,

**MinVen Gold Corporation**

David J. Layman  
Vice-President, Administration,  
Controller and Secretary

DJL:gm

September 14, 1992

Mr. Martin Quick  
MinVen Gold Corporation  
7596 W. Jewell Avenue  
Suite 303  
Lakewood, Colorado 80232

RE: POLLUTION CLEAN-UP COVERAGE AT THE GILT EDGE MINE

Dear Mr. Quick:

This letter is to confirm my conversation with Mr. Rob Bilmore of MnVen Gold Corporation on September 12, 1992.

Although we are deeply concerned about the overall financial condition of MinVen Gold Corporation, please be advised that we are currently still considering our options concerning the request for Pollution Clean-Up coverage at the Gilt Edge location solely because of the low limit of liability required (\$286,000).

Unfortunately, due to travel schedules at our office, we will be unable to make a final decision until at least September 15, 1992.

I apologize for any inconveniences this delay may cause. Please forward any further questions through your broker of record, Marsh & McLennan, Inc.

Sincerely,



Brian Lynch  
Underwriter

BL/tp

cc: Paul Murdoch

Jim Price  
Marsh & McLennan  
One Northwest Center  
1700 Linedon Street, Suite 4900  
Denver, Colorado 802035-4549

ECS  
Underwriting,  
Inc.

One East Uwchlan Avenue  
Suite 300  
Exton, Pennsylvania 19341  
(215) 269-6731  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 524-5354



MinVen Gold Corporation

**TELEFAX**

DATE: 10/14/92  
TO: JIM BARRON  
FAX NO: ( ) -  
FROM: J. C. SOWERS  
PAGES: 1 OF 6 (INCLUDING THIS COVER PAGE)  
REGARDING: FINANCIAL ASSURANCE BOND

MESSAGE: ATTACHED ARE COPIES OF THE  
1) CERTIFICATE INSUR.  
2) BINDER LETTER  
3) FAX COVER TO DJL  
4) FAX COVER TO STATE OF SD

THE \$50K PREMIUM IS PAID  
THE \$50K DEDUCTIBLE REMAINS TO BE COVERED.

WHEN I KNOW MORE, I'LL LET YOU KNOW. MARTIN & I  
WILL GO OVER THE ABOVE WHEN HE COMES IN THURSDAY.  
THE ACTUAL POLICY ON THE ABOVE WILL NOT BE AVAILABLE  
UNTIL SOMETIME AROUND NOV 1, 1992.

**PLEASE CALL (303) 980-5615 IF YOU HAVE ANY PROBLEMS RECEIVING**



DATE: OCTOBER 8, 1992  
TO: JC SOWERS  
FROM: JIM BARRON *JNB*  
SUBJECT: FINANCIAL ASSURANCE (F.A.) FOR GILT EDGE

I have been made aware that you are now handling the F.A. matter in Denver. If this is true, please be aware of the following...

Specified coverage must be for a minimum of \$286,000 00 (US), in contrast to the amount shown in the MinVen August report to the Board.

Finalized coverage must be ready to present to the South Dakota Board of Minerals and Environment (B.M.E.) by November 13, 1992.

However, it is important to note that the Department of Environment and Natural Resources (D.E.N.R.) must first review this coverage in order to make its recommendation to the B.M.E. This review period is anticipated to be approximately two (2) weeks. Therefore, please supply to me complete coverage documentation no later than October 30, 1992 so we may distribute this documentation to the appropriate parties for evaluation.

/vhc

cc: Martin Quick

*Board meets again 10/15/92*

FAX BINDER TO  
JIM 10/14/12

Jenny Hill @ Marsh McLennan - takes (about 30 days to receive policy)  
effective after policy by 1<sup>st</sup> November  
Jenny binder sent to State DENR  
Mike Sepack & Patty Bruckner

Marve T... SD (our attorney up there)

10/14/12 Per DJL - the \$50K insurance premium has been pd  
what we need now is the 50K CD or LOC to go to the state

10/22 MQ - Can we post a \$50K CD w/ ECS & have them issue  
the policy w/o the SIR - particularly since this is a 1-time  
claim only & not a multiple claim situation. Jenny to V.

Jenny will mail a copy of the policy draft 10/23/12

10/23 Tabled to ECS (JH) thought they would be able to do the above.

October 1, 1992

Mr. Jim Price  
Marsh & McLennan, Inc.  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

RE: FIRST PARTY POLLUTION CLEAN-UP COVERAGE BINDER CONFIRMATION FOR  
Minven Gold Corporation/Brohm Mining Corporation

Dear Jim:

The above captioned account is bound effective September 29, 1992 with  
the following conditions:

Policy Number:	NTD2509514
Limits of Liability:	\$286,000 per claim \$286,000 total all claims
Self-Insured Retention:	\$50,000
Premium (25% minimum earned):	\$50,000

Coverage:	First Party Pollution Clean-Up coverage for Gilt Edge Mine Deadwood, SD location using the Planet Company form attached subject to the following:
-----------	---

1. A minimum earned premium of 25% will apply upon binding.
2. A completed First Party Pollution Clean-Up application signed and dated by the insured.
3. No coverage will be provided for claims arising from underground storage tanks and underground piping.
4. No coverage will be provided for claims arising from non-owned disposal sites.
5. A retroactive date of September 29, 1992 will apply.

ECS

Underwriting,  
Inc.

One East U'wehlan Avenue  
Suite 300  
Exton, Pennsylvania 19341  
(215) 269-6731  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 924-5354

Mr. Jim Price  
October 1, 1992  
Page 2

6. No coverage will be provided for claims arising from the actual, alleged or threatened exposure of person(s) or property to any radioactive matter.
7. No coverage will be provided for claims arising from asbestos matter.
8. No coverage will be provided for claims arising from the presence or required removal or abatement of lead paint.
9. A satisfactory engineering survey within 30 days of binding at our expense.
10. Cancellation provisions will remain as outlined in Section VII conditions of the Pollution Clean-Up policy form.
11. Receipt of quarterly updated financial data.

Sincerely,

Brian Lynch  
Underwriter

BL/nmh

Enclosure(s)

cc: Paul Murdoch

**ACORD. CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

10/1/92

## PRODUCER

Marsh & McLennan, Incorporated  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND  
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE  
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE  
POLICIES BELOW.

## COMPANIES AFFORDING COVERAGE

COMPANY  
LETTER

A Planet Insurance Company

COMPANY  
LETTER

B

COMPANY  
LETTER

C

COMPANY  
LETTER

D

COMPANY  
LETTER

E

## INSURED

BROHM MINING CORPORATION  
P.O. Box 485  
Deadwood, South Dakota 57732

## COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD  
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS  
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,  
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b>				
<input type="checkbox"/>	COMPREHENSIVE FORM				BODILY INJURY OCC. \$
<input type="checkbox"/>	PREMISES/OPERATIONS				BODILY INJURY AGG. \$
<input type="checkbox"/>	UNDERGROUND EXPLOSION & COLLAPSE HAZARD				PROPERTY DAMAGE OCC. \$
<input type="checkbox"/>	PRODUCTS/COMPLETED OPER.				PROPERTY DAMAGE AGG. \$
<input type="checkbox"/>	CONTRACTUAL				BI & PD COMBINED OCC. \$
<input type="checkbox"/>	INDEPENDENT CONTRACTORS				BI & PD COMBINED AGG. \$
<input type="checkbox"/>	BROAD FORM PROPERTY DAMAGE				PERSONAL INJURY AGG. \$
<input type="checkbox"/>	PERSONAL INJURY				
	<b>AUTOMOBILE LIABILITY</b>				
<input type="checkbox"/>	ANY AUTO				BODILY INJURY (Per person) \$
<input type="checkbox"/>	ALL OWNED AUTOS ( Priv. Pass. )				BODILY INJURY (Per accident) \$
<input type="checkbox"/>	ALL OWNED AUTOS ( Other Than Priv. Pass. )				PROPERTY DAMAGE \$
<input type="checkbox"/>	HIRED AUTOS				
<input type="checkbox"/>	NON-OWNED AUTOS				BODILY INJURY & PROPERTY DAMAGE COMBINED \$
<input type="checkbox"/>	GARAGE LIABILITY				
	<b>EXCESS LIABILITY</b>				
<input type="checkbox"/>	UMBRELLA FORM				EACH OCCURRENCE \$
<input type="checkbox"/>	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>				STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
OTHER	A First Party "Claims-Made" NTD2509514		9/29/92	9/29/93	\$286,000 Per Claim
	Pollution Clean-up Retro Date 9/29/92				\$286,000 Total All Claims
	DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS				\$ 50,000 SIR

Certificate Holder is named as an Additional Insured.

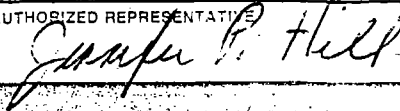
## CERTIFICATE HOLDER

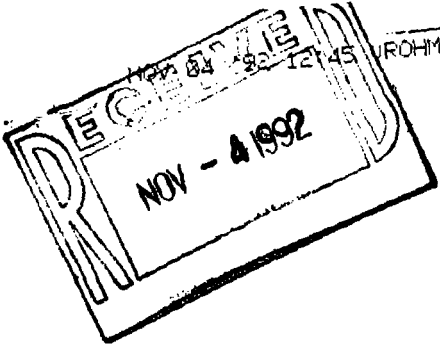
State of South Dakota  
Department of Environment and  
Natural Resources  
523 East Capitol  
Pierre, South Dakota 57501-3181

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE  
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO  
MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE  
LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR  
LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE





BROHM MINING CO



MARVIN D. TRUHE  
LAW OFFICES

FIRST FEDERAL PLAZA 5TH FLOOR  
P.O. BOX 8106  
RAPID CITY, SOUTH DAKOTA 57709  
TELEPHONE (605) 342-2800

TELECOPIER  
(605) 342-2801

MARVIN D. TRUHE  
DALE R. COCKRELL

October 29, 1992

Mr. James N. Barron  
Vice President and  
General Manager  
Brohm Mining Corp.  
P. O. Box 485  
Deadwood, SD 57732

Re: Insurance Policy for Environmental Cleanup

Dear Jim:

This letter will confirm my telephone conversation with you earlier today regarding the Planet Insurance Company policy which you faxed to me yesterday. As I indicated, the policy is identical to the one that was sent to you and forwarded to me in July, 1992. Therefore, the comments still apply that I made about the policy in my July 10, 1992 letter to you, a copy of which I am again enclosing. As I expressed in that letter, I have a concern that the policy is addressing something other than what the State anticipates. At a minimum, I believe the State will require that they be a named insured. You also indicated that you would try to get a copy of the Declarations page which contains the "retention" amount (which appears to be the \$50,000 deductible that you mentioned); the "annual aggregate" limit of coverage (which you indicated was the required \$286,000); as well as the legal description of the covered property (which hopefully covers all of Strawberry Creek to the confluence of Bear Butte Creek).

I am concerned if the premium for this policy has already been paid without having the policy approved by the State first. I trust that you can get a return on your premium if the State does not approve the policy. Although you may want to have environmental insurance even without regard to the State requirements for financial assurance, keep in mind that there is an exclusion in this policy for any environmental damage which existed prior to the beginning of the policy period if Brohm was aware, or could have reasonably foreseen, that the environmental damage already existed.

Post-It™ brand fax transmittal memo 7671		# of pages >
To <i>Mr. Barron</i>	From <i>Jim B</i>	
Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

**MARVIN D. TRUHE**

**LAW OFFICES**

**FIRST FEDERAL PLAZA - 5TH FLOOR**

**P.O. BOX 8106**

**RAPID CITY, SOUTH DAKOTA 57709**

**TELEPHONE (605) 342-2800**

**MARVIN D. TRUHE  
DALE R. COCKRELL**

**TELECOPIER  
(605) 342-2801**

**July 10, 1992**

**Mr. James N. Barron  
Vice President and  
Operations Manager  
Brohm Mining Corp.  
P. O. Box 485  
Deadwood, SD 57732**

**TELECOPIED**

**Re: Insurance Policy for Environmental Cleanup**

**Dear Jim:**

**This letter will summarize my review of the proposed "Pollution Cleanup Policy" submitted to you by Planet Insurance Company. Enclosed for reference are the "financial assurance" statutes as well as the minutes of the Board of Minerals hearing regarding Brohm's financial assurance obligation.**

**General Comment**

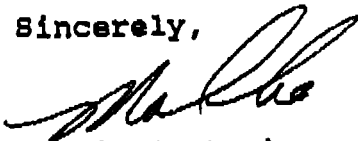
**This is an indemnity policy whereby the insurance company agrees to reimburse Brohm for environmental cleanup costs incurred by Brohm in response to legal obligations imposed by governmental action. Thus, this appears to be a general environmental insurance policy of the type that would allow Brohm to avoid having to pay for a governmental required cleanup following an environmental accident. This is not exactly the type of policy we were anticipating. Instead, we were looking for an insurance policy in which coverage would only apply if Brohm was unable or unwilling to respond to the cleanup (due to bankruptcy, financial default, etc.) and the insurance proceeds would then be paid directly to the State (as the State would actually incur the cost of the cleanup). As I mentioned, the premiums for the latter type of policy should be much less than the premiums for the former type of policy. I also question whether the policy as written would be acceptable to the State as the State may have expected to be the named insured in the policy.**

**Perhaps the best way to proceed would be to advise the insurance company of the specific requirements imposed by the statute and by the Board of Minerals, and then work with them in tailoring a policy that provides that it comes into play only upon Brohm's default, and in that event, the payment is made to the State rather than to Brohm. They may also suggest that the State rather than Brohm should be the named insured.**

Mr. James N. Barron  
Page 2  
October 29, 1992

You indicated that you would try to obtain an actual copy of the insurance policy, complete with the Declarations page. I will wait to hear from you.

Sincerely,



Marvin D. Truhe

MDT:nlb

Enclosure

Mr. James N. Barron

Page 2

July 10, 1992

### Specific Comments

1. The policy makes repeated references to a "Declarations" section which we do not have, but which you indicated you would try to obtain and forward to me.

2. The policy covers only the cleanup of the property that is specifically described in Item 5 of the Declarations. Significantly, the policy will not cover any damage at locations other than those designated in Item 5, even if the damage originates at a designated location. Thus, while the policy covers cleanup of not only land, but also bodies of water, it would not cover a body of water that was not on designated property.

3. The policy is limited to cleanup costs. It does not include coverage for the defense of legal proceedings in connection with a violation or the cleanup, nor does it cover damages to the property itself, nor does it cover any damages attributable to any intentional or deliberate actions by Brohm (instead it covers cleanup required as a result of negligence on the part of Brohm).

4. Brohm would not be covered for fines or penalties, or for claims by other parties seeking compensatory damages. The latter might involve a landowner suing Brohm for contamination of a water well.

5. Take a look at paragraph 4 of "IV. Exclusions" which excludes liability for emissions from mineral or water wells. I do not think this exclusion should be of concern, but you may be aware of some type of chemical contamination that could occur under these circumstances.

6. There is a specific exclusion under paragraph 15 of "IV. Exclusions" for liability arising from monitoring and testing following a cleanup. I am assuming that the monitoring and testing that is required as part of the cleanup would be covered, as opposed to any liability for accidents arising out of the testing itself. We should have this clarified with the insurance company since a major part of a cleanup effort can often involve very costly post-accident testing and monitoring.

7. There is a specific exclusion for environmental damage which existed prior to the beginning of the policy period, if Brohm was aware or could have reasonably foreseen that the environmental damage already existed. This exclusion should be reviewed in connection with the allegations being made in the threatened CWA litigation.

8. There is a "retention amount" which apparently is set forth in Item 4 of Declarations. I assume that this is a deductible that Brohm must pay, after which the insurance company picks up 100 percent of the cleanup costs.

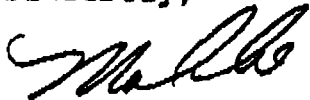
Mr. James N. Barrow

Page 3

July 10, 1992

9. Under "VI. Limit of Liability" there is a provision that the insurance company's "total liability for all cleanup costs" during the policy period shall not exceed the "annual aggregate" limit as set forth in Item 3 of the Declarations. If the policy period is longer than one year, this would be an improper limitation of the insurance coverage.

Sincerely,



Marvin D. Truhe

MDT:nlb

Enclosures

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123

November 9, 1992

MARSH &  
MCLENNAN

Mr. J.C. Sowers  
MINVEN GOLD CORPORATION  
410 17th Street, Suite 2450  
Denver, Colorado 80202

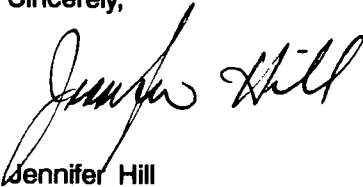
RE: FIRST PARTY POLLUTION INSURANCE

Dear J.C.:

Enclosed is the original and one copy of the First Party Pollution policy, effective September 29, 1992. The policy includes an endorsement adding the state of South Dakota as an Additional Insured. It is my understanding that you will forward a copy to the state of South Dakota.

Please review the enclosed and let me know if you have any questions.

Sincerely,



Jennifer Hill  
Client Manager

JH/fh

Enclosure

**ACORD****CERTIFICATE OF INSURANCE**

ISSUE DATE (MM/DD/YY)

10/1/92

**PRODUCER**

Marsh & McLennan, Incorporated  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND  
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE  
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE  
POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**

COMPANY LETTER **A** Planet Insurance Company

COMPANY LETTER **B**

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

**INSURED**

BROHM MINING CORPORATION  
P.O. Box 485  
Deadwood, South Dakota 57732

**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD  
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS  
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,  
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

CO LYR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b>				BODILY INJURY OCC. \$ BODILY INJURY AGG. \$ PROPERTY DAMAGE OCC. \$ PROPERTY DAMAGE AGG. \$ BI & PD COMBINED OCC. \$ BI & PD COMBINED AGG. \$ PERSONAL INJURY AGG. \$
	<input type="checkbox"/> COMPREHENSIVE FORM <input type="checkbox"/> PREMISES/OPERATIONS <input type="checkbox"/> UNDERGROUND <input type="checkbox"/> EXPLOSION & COLLAPSE HAZARD <input type="checkbox"/> PRODUCTS/COMPLETED OPER. <input type="checkbox"/> CONTRACTUAL <input type="checkbox"/> INDEPENDENT CONTRACTORS <input type="checkbox"/> BROAD FORM PROPERTY DAMAGE <input type="checkbox"/> PERSONAL INJURY				
	<b>AUTOMOBILE LIABILITY</b>				BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ BODILY INJURY & PROPERTY DAMAGE COMBINED \$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS (Priv. Pass.) <input type="checkbox"/> ALL OWNED AUTOS (Other Than Priv. Pass.) <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				
	<b>EXCESS LIABILITY</b>				EACH OCCURRENCE \$ AGGREGATE \$
	<input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>				STATUTORY LIMITS EACH ACCIDENT \$ DISEASE-POLICY LIMIT \$ DISEASE-EACH EMPLOYEE \$
	<b>OTHER</b>				
	A First Party "Claims-Made" NTD2509514		9/29/92	9/29/93	286,000 Per Claim
	Pollution Clean-up Release Date 9/29/92				286,000 Total All Claims
	DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES, SPECIAL RISKS				\$ 50,000 SIR

Certificate Holder is named as an Additional Insured.

**CERTIFICATE HOLDER**

State of South Dakota  
Department of Environment and  
Natural Resources  
523 Each Capitol  
Pierre, South Dakota 57501-3181

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE  
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO  
MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE  
LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR  
LIABILITY OF ANY KIND UPON THE COMPANY'S AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*James P. Hill*

October 1, 1992

Mr. Jim Price  
Marsh & McLennan, Inc.  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4849

RE: FIRST PARTY POLLUTION CLEAN-UP COVERAGE BINDER CONFIRMATION FOR  
Minven Gold Corporation/Brohm Mining Corporation

Dear Jim:

The above captioned account is bound effective September 29, 1992 with  
the following conditions:

Policy Number:	NTD2509514
Limits of Liability:	\$285,000 per claim \$285,000 total all claims
Self-Insured Retention:	\$50,000
Premium (25% minimum earned):	\$50,000

Coverage: First Party Pollution Clean-Up  
coverage for Gilt Edge Mine  
Deadwood, SD location using the  
Planet Company Form attached  
subject to the following:

1. A minimum earned premium of 25% will apply upon binding.
2. A completed First Party Pollution Clean-Up application signed  
and dated by the insured.
3. No coverage will be provided for claims arising from  
underground storage tanks and underground piping.
4. No coverage will be provided for claims arising from  
non-owned disposal sites.
5. A retroactive date of September 29, 1992 will apply.

ECS  
Underwriting  
Inc.

East Litchfield Avenue  
Suite 300  
Pittsburgh, PA 15201  
(412) 260-6751  
(FAX) ECS-1616  
Outside Pennsylvania  
Fax (412) 524-9354

Mr. Jim Price  
October 1, 1992  
Page 2

6. No coverage will be provided for claims arising from the actual, alleged or threatened exposure of person(s) or property to any radioactive matter.
7. No coverage will be provided for claims arising from asbestos matter.
8. No coverage will be provided for claims arising from the presence or required removal or abatement of lead paint.
9. A satisfactory engineering survey within 30 days of binding at our expense.
10. Cancellation provisions will remain as outlined in Section VII conditions of the Pollution Clean-Up policy form.
11. Receipt of quarterly updated financial data.

Sincerely,

Brian Lynch  
Underwriter

BL/rmh

Enclosure(s)

cc: Paul Murdoch

## TELECOMMUNICATIONS COVER PAGE

MARSH & McLENNAN, INCORPORATED  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203

EQUIPMENT/PHONE NUMBERS:  
Fax/Vox MV 300 (303) 861-8123  
(24 Hours)  
Telephone (303) 861-7111

URGENT \_\_\_\_\_

ROUTINE       DATE 10/1/92 TIME \_\_\_\_\_ NUMBER OF PAGES INCLUDING COVER 5TO: NAME: Don David LaymanFIRM: Munich Gold DEPT: \_\_\_\_\_CITY: Atlanta FAX #: 980-5302FROM: NAME: Jennifer HillRE: Volition Coverage

The attached was sent to South Dakota. I discussed the coverage with Patty Bruckner and Mike Coad this morning. It appears everything is in order.

Let me know if you have any questions. I have attached a copy of ECS letter providing coverage for your file.

The information contained in this facsimile message is confidential, may be privileged, and is intended only for the use of the individual or entity named above. If you, the reader of the message, are not the intended recipient, or the agent or employee responsible for delivering this transmission to the intended recipient, you are expressly prohibited from copying, disseminating, distributing or in any other way using any of the information contained in this facsimile message.

TELECOMMUNICATIONS COVER PAGE

MARSH & McLENNAN, INCORPORATED  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203

EQUIPMENT/PHONE NUMBERS:  
Pager/fax MV 300 (303) 861-8123  
(24 Hours)  
Telephone (303) 861-7111

URGENT

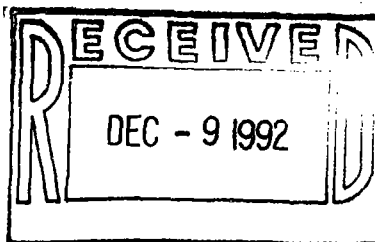
ROUTINE

DATE 10-1-92 TIME 2:41 NUMBER OF PAGES INCLUDING COVER 22

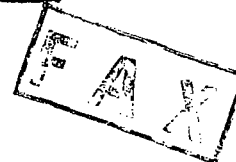
TO: NAME: Patty Bruckner  
FIRM: State of South Dakota DEPT: \_\_\_\_\_  
CITY: \_\_\_\_\_ FAX #: 605-773-6235  
FROM: NAME: Jenny Hill  
RE: Brohm Mining Corp

Attached is the Certificate which reflects the coverage secured by  
Brohm effective 9/29/92. Please review the attached  
and let me know if you have any questions. We will send you  
a copy of the policy once I receive it from the insurance  
company.

The information contained in this facsimile message is confidential, may be privileged, and is intended only for the use of the individual or entity named above. If you, the reader of the message, are not the intended recipient, or the agent or employee responsible for delivering this transmission to the intended recipient, you are expressly prohibited from copying, disseminating, distributing or in any other way using any of the information contained in this facsimile message.



DATE: DECEMBER 11, 1992  
TO: MARTIN QUICK  
FROM: JIM BARRON *Jim*  
SUBJECT: BROHM CYANIDE SPILL INSURANCE



As you are aware we received from the office of the Attorney General for the State of South Dakota a letter outlining their concerns and objections to the type of financial assurance insurance policy we have proposed to provide to the state under the regulations adopted by the state pertaining to financial assurance. Upon discussing these concerns with Marv Truhe I would like to pass on the following opinions that he had during our discussions.

Pertaining to Item 1. The contention that the state did not receive the declarations portion of this insurance is not true. Marv felt that the declarations were simply not recognized as such.

Pertaining to Item 2. In terms of the "off-site" question, the state statutes are very broad when discussing coverage. They essentially call for the adequate protection of the public from harm to the environment. In our discussion it was felt that we needed broader language in the insurance policy, such that any spill originating from the property, wherever necessary to clean up, would be covered to the limits of the policy.

Pertaining to Item 3. Marv felt that by simply changing the wording of this pertaining to compensation would clear this particular problem up.

Pertaining to Item 4. Again, Marv felt that all that was necessary here was clearer language.

Pertaining to Item 5. This also needs to be clarified, however, it is reasonable to expect that the State of South Dakota would demand that South Dakota law must govern in this situation. That only seems reasonable and should be something that the insurance company would be willing to go along with.

cc: Myron Andersen  
Rod MacLeod

STATE OF SOUTH DAKOTA



## OFFICE OF ATTORNEY GENERAL

600 EAST CAPITOL  
 Pierre, South Dakota 57501-5070  
 Phone (605) 773-3215

**MARK W. BARNETT**  
 ATTORNEY GENERAL

December 7, 1992

**LAWRENCE E. LONG**  
 CHIEF DEPUTY ATTORNEY GENERAL

3215

Marvin Truhe  
 Attorney at Law  
 909 St. Joseph St  
 1st Fed. Plaza 5th Floor  
 Rapid City, SD 57701

Jim Barron  
 General Manager  
 Brohm Mining Corporation  
 P.O. Box 485  
 Deadwood, SD 57732

Re: Brohm Cyanide Spill Insurance

Gentlemen:

The Office of Attorney General is unable to approve the spill insurance submitted by Brohm Mining Corporation in compliance with the requirement of the order of the Board of Minerals and Environment dated October 18, 1991.

This Office has reviewed the submitted insurance and is unable to approve it because of the following deficiencies:

1. The Declarations portion of the insurance, referred to throughout, has not been submitted for review by this Office.
2. The definition of cleanup costs appearing in Section II(B) refers only to the removal of pollutants on or at Brohm's property. It does not cover off-site removal of pollutants, or cleanup of damaged natural resources from off-site areas. See also Exclusion IV(16) which excludes off-site contamination. SDCL 45-6B-20.1 requires contemplation of both on-site and off-site pollution.

*Int Party Policy  
 Can be obtained*

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 3
To <i>Jenny Hill</i>	From <i>MARTIN QUICK</i>	
Co. <i>Marshall McLennan</i>	Co. <i>MIA VEN</i>	
Dept. <i>Tel 861-7111</i>	Phone #	
Fax # <i>861-8123</i>	Fax # <i>573-1012</i>	

December 7, 1992  
Page 2

3. Exclusion IV(3) needs to be clarified. If DENR needs to use its emergency funds to cleanup and remedy a cyanide spill, and is unable to wait for action of the Planet Insurance Company due to an emergency situation, DENR's claim against the policy may be considered "compensatory damages" and would not be covered by this insurance.
4. Exclusion IV(12) excludes claims arising from environmental damages based on the insured's (Brohm's) intentional, willful or deliberate non-compliance with a statute, regulation or board order. This exclusion makes this insurance absolutely inadequate to cover what is needed, as the only situation where the insurance will be called upon to act as surety for the State under SDCL 45-6B-20.1, is when Brohm Mining Company has refused to comply with a statute, regulation or notice of violation and order of the board.
5. Endorsement No. 3, naming <sup>Brohm's</sup> the State as an additional insured but "solely as respects liability arising out of ownership, operation, maintenance, or use of the locations covered under this policy" needs to be clarified. The State will never own, operate, maintain or use this property; hence, this endorsement appears to be worthless. Further, as an additional insured, the State appears to be subject to all of the conditions of Section VIII of the insurance. However, the State of South Dakota cannot agree to Paragraph 10, concerning either arbitration or litigation in New York. In addition, the other insurance provision Paragraph 9 causes concern, especially in light of the State's PEPL fund policy and the State's emergency cleanup funds.

✓  
Misunderstand

1st Party Policy.  
3rd Party Coverage.

Not insurable - if  
there is intentional  
non-compliance

Endorsement

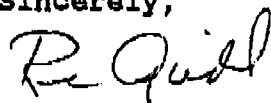
They (Insur) was  
going to clarify this.  
Explains

Not necessary.

December 7, 1992  
Page 3

There may be other deficiencies in the submitted insurance, but those listed above appeared during our threshold review and result in the insurance being inadequate to comply with SDCL 45-68-20.1.

Sincerely,



Roxanne Giedd  
Assistant Attorney General

RG:nas  
cc: Mike Cepak

PLANET INSURANCE COMPANY  
MADISON, WISCONSIN

NAMED MINVEN GOLD CORP./BROHM MINING CORP.  
INSURED P.O. Box 485  
AND Deadwood, SD 57732  
POST OFFICE

FIRST PARTY POLLUTION CLEAN-UP  
DECLARATIONS

THIS IS A CLAIMS-MADE POLICY--PLEASE READ CAREFULLY

POLICY NUMBER: NTD2509514

Item 1: NAMED INSURED MINVEN GOLD CORP./BROHM MINING CORP.  
ADDRESS P.O. Box 485  
Deadwood, SD 57732

Item 2: POLICY PERIOD  
FROM September 29, 1992 TO September 29, 1993  
12:01 A.M. standard time at the address of the NAMED INSURED shown above.

Item 3: LIMIT OF LIABILITY, up to \$286,000 each LOSS  
\$286,000 Total for all LOSSES

Item 4: RETENTION \$50,000 each LOSS

Item 5: COVERED LOCATION(S) Gilt Edge Mine  
Deadwood, SD

Item 6: POLICY PREMIUM \$50,000

Item 7: EXTENDED DISCOVERY CLAUSE DATE September 29, 1992

Broker: Marsh & McLennan, Inc.  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203

  
Authorized Representative BL/sm 9/30/92

**ENDORSEMENT #1**

This endorsement, effective 12:01 a.m., September 29, 1992 forms a part of Policy No. NTD2509514 issued to MINVEN GOLD CORP./BROHM MINING CORP. by Planet Insurance Company.

It is hereby agreed upon that this policy does not apply to LOSS arising out of the following:

- 1) Radioactive Matter Exclusion: the actual, alleged or threatened exposure of person(s) or property to any radioactive matter except where specifically endorsed onto the policy.
- 2) Non-Owned Disposal Site Exclusion: from waste or materials transported via automobile, aircraft, watercraft or rolling stock beyond the boundaries of the covered locations identified in the Declarations.
- 3) Underground Tank and Underground Piping Exclusion: the presence or use of any underground tank or underground piping to or at the covered locations identified in the Declarations.
- 4) Absolute Asbestos Exclusion: the actual, alleged or threatened exposure to person(s) or property to any asbestos matter.
- 5) Superfund Exclusion: locations designated as being either proposed for or on the National Priorities List or on any state "Superfund" list unless specifically scheduled onto the policy by endorsement.

All other terms and conditions remain the same.

  
(Authorized Representative)

**ENDORSEMENT #2**

This endorsement, effective 12:01 a.m., September 29, 1992 forms a part of Policy No. NTD2509514 issued to MINVEN GOLD CORP./BROHM MINING CORP. by Planet Insurance Company.

It is hereby agreed upon that this policy will not apply to CLAIMS arising from the presence or required removal or abatement of lead paint.

All other terms and conditions remain the same.

Paul Murdoch  
(Authorized Representative)

**ENDORSEMENT #3**

This endorsement, effective 12:01 a.m., September 29, 1992 forms a part of Policy No. NTD2509514 issued to MINVEN GOLD CORP./BROHM MINING CORP. by Planet Insurance Company.

It is hereby agreed upon that the following entity is included as an Additional Insured, but solely as respects liability arising out of ownership, operation, maintenance or use of the locations covered under this policy.

ADDITIONAL INSURED

State of South Dakota

All other terms and conditions remain the same.

  
\_\_\_\_\_  
(Authorized Representative)

PLANET INSURANCE COMPANY

Sun Prairie, Wisconsin

APPLICATION FOR POLLUTION CLEAN-UP COVERAGE

(Include 10K report, annual report, and flow chart of process if available.)

This is an application for a CLAIMS MADE Policy

1) NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

Brohm Mining Corporation

EPA IDENTIFICATION NUMBER(S): DNA

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, SD 57732

LOCATIONS TO BE COVERED: Gilt Edge Mine

2) NAMED INSURED IS:

☒ Partnership ☐ Corporation ☐ Joint Venture ☐ Other

3) HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Five Years

4) SALES:

A) ESTIMATED (Ensuing Year): 24,000 Ounces of Gold

B) LAST 5 YEARS: 1991 1990 1989 1988 1987  
Ounces: 30,302 33,133 17,160 6,660 0

**5) COMPANY PROFILE AND ENVIRONMENTAL AFFAIRS MANAGEMENT**

- A) Outline the site history including any previous uses of the site and by whom:** Open pit heap leach gold and silver mine. Start up in 1987.

Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

- B) Briefly describe the operations conducted at the facility, including raw materials and by-products:** Ore/waste rock is produced from mine by surface mining method. Waste rock is delivered to modified valley-fill repository. Ore is crushed to 1" size and carried to triple-lined (clay,fml,fml) leach pad. A diluted cyanide solution is applied to ore. Dilute cyanide solution is piped to plant where gold/silver is recovered.

- C) Give details on any claims or lawsuits against the company, including outcome when applicable:** No lawsuits have been filed against Brohm Mining Corporation, however the technical information project of Rapid City, SD is threatening legal action if Brohm Mining Corporation does not obtain a traditional NPDES permit from the EPA. Brohm and its legal counsel have been in contact with EPA, and it appears the lawsuit may not come to pass.

- D) Describe the Management Organization and identify those managers with environmental responsibility (attach organization chart if available):** \_\_\_\_\_

See attached organizational chart

**E) Briefly describe any employee training classes held:** Employees trained in accordance with 30CFR part 48. Additional training on an "as needed" basis conducted. Separate and unique one time training by vendors (DuPont, DeGussa, etc.)

**F) Describe the company's interaction with local, state, and federal authorities:** Company official is member of the County LEPC which has recently updated its emergency planning in accordance with "Sarah Title III". Company reports regularly to the County Planning and Zoning administration. Company officials work closely with South Dakota DENR on nearly a daily basis. Other than MSHA, company dealings with Federal agencies is on a sporadic basis.

**6) OVERALL FACILITY OPERATIONS**

**A) Provide a description of the site, including adjacent properties and target populations (attach site plan)** See attached site plan. Attachment III.

**B) Identify nearby water sources, both surface and groundwater:** \_\_\_\_\_

See attached site plan. Attachment III.

**C) Are there any protected environments in the area (parks, wildlife preserves, etc.)?** yes ☒ no

**If yes, please describe:** \_\_\_\_\_

D) Briefly describe the geology and hydrogeology of the area: \_\_\_\_\_

See Attachment III.

E) Identify any surface or groundwater uses in the area (drinking wells, etc.):

No domestic or commercial uses within 1 mile of property boundaries.

F) Is public water and sewer available? yes ☒ no

G) Outline the security measures at the facility, describe the facility access points, security system, posted areas: Facility is accessed via private access road through main gate located at Administration building operated by remote controllers. Access to property is through ancillary routes controlled by fences/locked gates. Ancillary access is primarily by abandoned logging trails. Facility product is under constant video, IR and motion detector type electronic surveillance. Security system is monitored at a remote central monitoring location.

H) List the safety programs presently in place: Employee training is in compliance with 30CFR part 48, additional training on "as-needed" basis supplied in-house or by applicable vendors i.e. DuPont, DeGussa, etc. An employee safety incentive program is in place.

I) Describe the fire safety systems in place: Portable fire extinguishers are located throughout facility as per regulatory requirements. Plant has dedicated fire-fighting system (standardized hoses, fittings and piping compatible with local fire department(s)). Also in place are dedicated fire suppression pumps, back up electrical system and 60,000 gallon water storage, in accordance with local zoning ordinances and NFPA recommendations.

J) Outline the emergency procedures used at the facility: A spill contingency plan is in place, updated yearly; facility personnel involved in LEPC. South Dakota Mining Association sponsors a Technical Advisory Committee. Several employees have EMT status.

## 7) SOLID AND HAZARDOUS WASTE MANAGEMENT

A) Outline the sources of solid and hazardous waste: N/A

B) Describe the storage practices used: N/A

C) Describe the disposal methods used: N/A

D) Is there a manifest system in place (include a recent copy)?      yes X no

E) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

F). Is there a wastewater treatment unit on site?        yes   X   no

**If yes, identify:**

1) What type of treatment?

2) Quantity per year

### 3) Discharge points for treated wastewater

G) Identify discharge points for wastewater and stormwater: Storm water

discharge points only. See attached site plan. Attachment IV.

H) Describe any lagoons, impoundments, or landfills on site: N/A

I) Is incineration done on site? yes X no

If yes, identify:

1) Emission Controls: \_\_\_\_\_

2) Air Monitoring procedures: \_\_\_\_\_

3) List permits and attach copies: \_\_\_\_\_

#### 8) SPILL CONTAINMENT AND CONTINGENCY PLANNING

A) Are materials stored in drums? X yes no

If yes, identify:

1) Type of materials: See Attachment I. Hydrogen Peroxide, Descalent, Sodium Cyanide, Fluorospar, Carbon Dioxide, ANFO, Lead Nitrate, Caustic Soda, Borax, Diatomaceous Earth, L.P. Gas, Zinc, Sulfuric Acid, Sodium Nitrate, Soda Ash, Lime.

2) Quantity of materials: Normal operational quantities.

3) Description of storage area: See Attachment I.

4) Inventory control (permitted amount): No permitted limits.

B) Tank Storage: See Attachment I.

<u>Tank No.</u>	<u>Material</u>	<u>Capacity</u>	<u>Age</u>	<u>A/G or U/G</u>	<u>Diked</u>
	Hydrogen	8,000 gal.			
1 & 2	Peroxide	10,000 gal.	3 yrs.	A/G	No
3 & 4	Liquid Propane	10-12,000 gal.	5 yrs.	A/G	No
	Diesel	10,000 gal. (unknown)		A/G	Yes
	Gasoline	1,000 gal. (unknown)		A/G	Yes
	Carbon Dioxide	8,000 gal. (unknown)		A/G	No

C) Have any underground tanks or underground piping ever been present at the site? yes X no

If yes, please explain: \_\_\_\_\_

D) Is a spill plan approved and on file (attach copy)? X yes no  
(See Attachment V)

9) OTHER CONCERNS

A) Is there any asbestos located anywhere on the site? yes X no

If yes, identify: \_\_\_\_\_

B) Is there any PCB contaminated material anywhere on the site? yes X no

If yes, identify: \_\_\_\_\_

10) ADDITIONAL INFORMATION

A) Please attach the latest monitoring results for facility effluent discharges, air emissions, landfills, or surface impoundments, including any groundwater data available. See Attachments VI & VII.

B) Please attach a schedule of all storage tanks including the following information: capacity, age, above or below ground, spill containment methods, contents, steel or fiberglass, type of inventory control, testing methods.

11) RECORD

- A) Have you during the last 5 years been prosecuted for contravention of any standard or law relating to the release from the location of a substance into sewers, rivers, air or onto land? \_\_\_\_ yes X no (Settled without going to court)

If yes, give details: \_\_\_\_\_

- B) Please describe any pollution claims during the last 5 years (if none, please so state): None

- C) At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy?

\_\_\_\_ yes X no

If yes, give details: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\* NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Booker Mining Corp.  
By: [Signature] (Title) 9-2-92  
Sec. President, Secretary  
Agent/Broker: Marsh & McManis, Inc.  
Address: 1700 Lincoln, Suite 4900 Denver CO 80203

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

## PLANET INSURANCE COMPANY

- 1.) Brohm Mining Corporation
  - a. DNA
  - b. P.O. Box 485, Deadwood, SD 57732
  - c. Gilt Edge Mine
- 2.) Partnership
- 3.) Five years
- 4.) Sales:
  - a. 24,000 Ounces of Gold
  - b.      1991,          1990,          1989,          1988,          1987  
            30,302 oz. 33,133 oz. 17,160 oz. 6,660 oz.    0
- 5.)
  - a. Open pit heap leach gold and silver mine. Start up in 1987. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.
  - b. Ore/waste rock is produced from mine by surface mining method. Waste rock is delivered to modified valley-fill repository. Ore is crushed to -1" size and carried to triple-lined (clay, fml, fml) leach pad. A diluted cyanide solution is applied to ore. Dilute cyanide solution is piped to plant where gold/silver is recovered.
  - c. No lawsuits have been filed against Brohm Mining Corporation, however the technical information project of Rapid City, SD is threatening legal action if Brohm Mining Corporation does not obtain a traditional NPDES permit from the EPA. Brohm and its legal counsel have been in contact with EPA, and it appears the lawsuit may not come to pass.
  - d. See attached Organizational chart.
  - e. Employees trained in accordance with 30CFR part 48. Additional training on an "as-needed" basis conducted. Separate and unique one time training by vendors (DuPont, DeGussa, etc).

f. Company official is member of the County LEPC which has recently updated its emergency planning in accordance with "Sarah Title III". Company reports regularly to the County Planning and Zoning administration. Company officials work closely with South Dakota DENR on nearly a daily basis. Other than MSHA, company dealings with Federal agencies is on a sporadic basis.

6.) a. See attached site plan. Attachment III.

b. See attached site plan. Attachment III.

c. No

d. See Attachment III.

e. No domestic or commercial uses within 1 mile of property boundaries,

f. No.

g. Facility is accessed via private access road through main gate located at Administration building operated by remote controllers. Access to property is through ancillary routes controlled by fences/locked gates. Ancillary access is primarily by abandoned logging trails. Facility product is under constant video, IR and motion detector type electronic surveillance. Security system is monitored at a remote central monitoring location.

h. Employee training is in compliance with 30CFR part 48, additional training on "as-needed" basis supplied in-house or by applicable vendors i.e. DuPont, DeGussa, etc. An employee safety incentive program is in place.

i. Portable fire extinguishers are located throughout facility as per regulatory requirements. Plant has dedicated firefighting system (standardized hoses, fittings, and piping compatible with local fire department(s) ). Also in place are dedicated fire suppression pumps, back up electrical system and 60,000 gallon water storage, in accordance with local zoning ordinances and NFPA recommendations.

j. A spill contingency plan is in place, updated yearly, facility personnel involved in LEPC. South Dakota Mining Association sponsors a Technical Advisory Committee. Several employees have EMT status.

7.) a. N/A

b. N/A

- d. No
- e. N/A
- f. No
- g. Storm water discharge points only. See attached site plan. Attachment IV.
- h. N/A
- i. No

8.) a. Yes

1. See Attachment I. Types of materials

Hydrogen Peroxide	Lead Nitrate	Zinc
Descalent	Caustic Soda	Sulfuric Acid
Sodium Cyanide	Borax	Sodium Nitrate
Fluorospar	Diatamaceous Earth	Soda Ash
Carbon Dioxide	L.P. Gas	Lime
ANFO		

2. Normal operational quantities.

3. See Attachment I.

4. No permitted limits.

b. See Attachment I.

<u>Tank No.</u>	<u>Material</u>	<u>Capacity</u>	<u>Age</u>	<u>A/G or U/G</u>	<u>Diked</u>
1 & 2	Hydrogen Peroxide	8,000 gal	3 yrs	A/G	No
	Liquid	10,000 gal			
3 & 4	Propane	10-12,000 gal	5 yrs	A/G	No
	Diesel	10,000 gal	unknown	A/G	Yes
	Gasoline	1,000 gal	unknown	A/G	Yes
	Carbon Dioxide	8,000 gal	unknown	A/G	No

c. No

d. Yes. See Attachment V.

9.) a. No

b. NO

10.) a. See Attachments VI & VII.

11.) a. No. Settled without going to court.

b. No

c. No

PLANET INSURANCE COMPANY  
Sun Prairie, Wisconsin

(A Stock Insurance Company Herein Called the Company)

POLLUTION CLEAN-UP POLICY

This is a Claims-Made Policy -- Please Read Carefully

In consideration of the payment of premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, the Company agrees with the NAMED INSURED as follows:

I. INSURING AGREEMENT

To indemnify the INSURED for CLEAN-UP COSTS, only, incurred by the INSURED as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for ENVIRONMENTAL DAMAGE on or at the location(s) designated in Item 5 of the Declarations.

II. DEFINITIONS

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. CLEAN-UP COSTS means expenses for the removal or neutralization of solid, liquid, gaseous or thermal contaminants, irritants or pollutants on or at the location(s) designated in Item 5 of the Declarations. CLEAN-UP COSTS do not include expenses associated with the defense of any administrative and/or legal proceeding of any kind.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom.
- D. PROPERTY DAMAGE means:
  - 1. physical injury to or destruction of tangible property including the resulting loss of use thereof;
  - 2. loss of use of tangible property that has not been physically injured or destroyed.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. ENVIRONMENTAL DAMAGE means the injurious presence in or upon land, the atmosphere, or body of water, of solid, liquid, gaseous or thermal contaminants, irritants or pollutants.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. CLAIM means CLEAN-UP COSTS incurred by the insured in the discharge of a legal obligation validly imposed through governmental action which is initiated during the policy period because of ENVIRONMENTAL DAMAGE to which this insurance applies.

### III. TERRITORY

This policy only applies to claims arising from ENVIRONMENTAL DAMAGE in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

### IV. EXCLUSIONS

This insurance does not apply to:

1. CLAIMS arising from ENVIRONMENTAL DAMAGE existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such ENVIRONMENTAL DAMAGE could have been expected to give rise to a claim;
2. CLAIMS seeking non-pecuniary relief, including but not limited to fines, penalties or exemplary damages;
3. CLAIMS seeking compensatory damages;
4. CLAIMS arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendment of 1978 or the Clean Water Act of 1977 as amended in 1978, or any "deepwater port" as defined in the Deepwater Port Act of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas, or other fluids from any oil, gas, mineral, water, or geothermal well of any nature whatsoever;
5. liability arising under any worker's compensation, unemployment compensation or disability benefits law or similar law;
6. liability arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
7. liability arising as a result of others assumed by the INSURED under any contract or agreement;
8. liability arising as a result of PROPERTY DAMAGE or BODILY INJURY;
9. CLAIMS arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock; except when on or at the location(s) designated in Item 5 of the Declarations;
10. CLAIMS arising from ENVIRONMENTAL DAMAGE on or at the location(s) designated in Item 5 of the Declarations, once such location(s) are sold, leased, given away, abandoned or operational control has been relinquished;
11. A. Under any Liability Coverage, to CLEAN-UP COSTS
  1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

2. resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Liability Coverage, to CLEAN-UP COSTS resulting from the HAZARDOUS PROPERTIES OF NUCLEAR MATERIAL, if

1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
3. the CLEAN-UP COSTS arising out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY.

C. As used in this exclusion:

"HAZARDOUS PROPERTIES" including radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL OR BYPRODUCT MATERIAL;

"SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL", AND "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

1. any NUCLEAR REACTOR,
2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
3. any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

4. any structure, basin, excavation, premises or place prepared or used for the storage of disposal of WASTE,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

12. CLAIMS arising from ENVIRONMENTAL DAMAGE based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
13. arising from ENVIRONMENTAL DAMAGE based upon or attributable to acid rain conditions;
14. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion;
15. liability arising out of any monitoring, sampling, analyzing, or testing following the removal or neutralization of solid, liquid, gaseous or thermal contaminants, irritants or pollutants.
16. CLAIMS arising from ENVIRONMENTAL DAMAGE on or at location(s) other than those designated in Item 5 of the Declarations even if such ENVIRONMENTAL DAMAGE is emanating from a designated location(s).
17. any costs, charges, or expenses associated with the defense of any administrative and/or legal proceeding of any kind.

#### V. EXTENDED DISCOVERY PERIOD

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

1. Where cancellation or non-renewal is by the Company, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.
2. Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects ENVIRONMENTAL DAMAGE existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as nonrenewal.

## VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of CLEAN-UP COSTS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All CLEAN-UP COSTS arising out of the same or related ENVIRONMENTAL DAMAGE at any one location shall be considered a single CLEAN-UP COSTS.

Subject to the foregoing, the Company's total liability for all CLEAN-UP COSTS from claims first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable, shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Annual Aggregate".

## VII. CLAIM PROVISIONS

1. In the event of a claim, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible. The INSURED shall immediately forward to the Company every demand, notice, summons, order, or other process received by the INSURED or the INSURED's representative.
2. The INSURED shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the purpose of investigation and/or defense, all without charge to the Company. The INSURED shall further cooperate with the Company and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment which the INSURED may have. The INSURED shall not, except at his own costs, make any payment, admit any liability, settle any claims, assume any obligation or incur any expense without the written consent of the Company.
3. In the event of any ENVIRONMENTAL DAMAGE or knowledge of any circumstance not previously disclosed that might reasonably be expected to result in an ENVIRONMENTAL DAMAGE, the INSURED shall promptly take all reasonable steps to prevent injury or damage from arising out of the ENVIRONMENTAL DAMAGE or circumstances and notify the Company of such circumstances or preventive measures immediately.
4. No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. If the Company recommends a settlement of a claim :
  - a. for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for CLEAN-UP COSTS in excess of the retention;
  - b. for a total amount in excess of the balance of the retention and the INSURED refuses to such settlement, the Company's liability for CLEAN-UP COSTS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED's refusal which exceed the retention and fall within the Limit of Liability.

5. The Company shall have the right but not the duty to assume the adjustment of any claim. In case of exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of CLEAN-UP COSTS falling within the INSURED's retentions. The INSURED shall assist and cooperate with the Company.

#### VIII. CONDITIONS

1. INSPECTION AND AUDIT -- The Company shall be permitted but not obligated to inspect on a continuing basis the INSURED'S property or operations, at any time. Neither the Company's right to make inspections nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. CANCELLATION -- This policy may be cancelled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown on this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.

If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

3. DECLARATIONS -- By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. ACTION AGAINST COMPANY -- No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgement against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgement or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED'S liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve the Company of any of its obligations hereunder.

5. ASSIGNMENT -- Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. SUBROGATION -- In the event of any payment under this policy, the Company shall be subrogated to all the INSURED'S rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. CHANGES -- Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. SOLE AGENT -- The INSURED first named in Item 1 of the declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. OTHER INSURANCE -- Where other valid and collectable insurance is available to the NAMED INSURED for CLEAN-UP COSTS covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
- a. This insurance shall apply as excess insurance over any other valid and collectable insurance be it primary or excess.
  - b. Where this insurance is excess over other valid and collectable insurance, the Company will pay only its share of the amount of CLEAN-UP COSTS, if any, that exceeds the total amount that all such other insurance will pay for the CLEAN-UP COSTS in the absence of this insurance.
10. CHOICE OF LAW - In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized agent of the Company.

*Linda C. Kohn*

Secretary

*John M. Dunt*

President

(A Stock Insurance Company Herein Called the Company)

## POLLUTION LEGAL LIABILITY

This is a Claims-Made Policy—Please Read Carefully

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, the Company agrees with the NAMED INSURED as follows:

### I. INSURING AGREEMENT

To indemnify the INSURED against LOSS the INSURED has or will become legally obligated to pay as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.

### II. DEFINITIONS

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. LOSS means:
  - 1. monetary awards or settlements of compensatory damages arising from:
    - a. BODILY INJURY as defined herein, or
    - b. PROPERTY DAMAGE as defined herein, and
  - 2. costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom caused by POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.
- D. PROPERTY DAMAGE means:
  - 1. physical injury to or destruction of tangible property including the resulting loss of use thereof,
  - 2. clean up costs,
  - 3. loss of use of tangible property that has not been physically injured or destroyed;  
provided that such physical injury or destruction, clean up costs and/or loss of use are caused by POLLUTION CONDITIONS emanating from locations designated in Item 5 of the Declarations.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. POLLUTION CONDITIONS means the discharge, dispersal, release or escape of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in BODILY INJURY or PROPERTY DAMAGE.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. AUTOMOBILE means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached thereto.
- I. CLAIM means the assertion of a legal right alleging liability or responsibility on the part of the NAMED INSURED, arising out of POLLUTION CONDITIONS, and shall include but not necessarily be limited to lawsuits or petitions filed against the NAMED INSURED.

### III. TERRITORY

This policy only applies to claims or suits arising from POLLUTION CONDITIONS in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

### IV. EXCLUSIONS

This Insurance does not apply to LOSS:

- 1. arising from POLLUTION CONDITIONS existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such POLLUTION CONDITIONS could have been expected to give rise to a claim;
- 2. from claims or suits seeking non-pecuniary relief;
- 3. arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendments of 1978 or the Clean Water Act of 1977 as amended in 1978, or any "deepwater port" as defined in the Deepwater Port Act of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well of any nature whatsoever;

5. arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
6. arising as a result of liability of others assumed by the INSURED under any contract or agreement;
7. arising as a result of PROPERTY DAMAGE or BODILY INJURY to or at the location(s) designated in Item 5 of the Declarations, even if such PROPERTY DAMAGE or BODILY INJURY is incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
8. arising from clean up costs incurred for the remediation of soil and/or groundwater contamination to or at the location(s) designated in Item 5 of the Declarations, even if such clean up costs are incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
9. arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock;
10. arising from POLLUTION CONDITIONS emanating from the location(s) designated in Item 5 of the Declarations, once such location(s) are sold, leased, given away, abandoned or operational control has been relinquished;
11. A. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE
  1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  2. resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL, if
  1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
  2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
  3. the BODILY INJURY or PROPERTY DAMAGE arises out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.
- C. As used in this exclusion:

"HAZARDOUS PROPERTIES" include radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BYPRODUCT MATERIAL;

"SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL", and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

  1. any NUCLEAR REACTOR,
  2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
  3. any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
  4. any structure, basin, excavation, premises or place prepared or used for the storage of disposal of WASTE,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"PROPERTY DAMAGE" includes all forms of radioactive contamination of property;
12. arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under his name including any container thereof, or any reliance upon a representation of warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs away from premises owned, operated or leased to the INSURED or after physical possession of such has been relinquished to others;

13. arising out of operations performed by or on behalf of the INSURED, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after such made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after such operations have been completed or abandoned and occurs away from premises owned, operated or leased to the INSURED. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:
- When all operations to be performed by or on behalf of the INSURED under the contract have been completed,
  - When all operations to be performed by or on behalf of the INSURED at the site of the operations have been completed, or
  - When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
14. due to PROPERTY DAMAGE to goods or products manufactured, sold, handled or distributed by the INSURED arising out of such goods or products or any part thereof, or due to PROPERTY DAMAGE to work performed by or on behalf of the INSURED arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
15. arising from POLLUTION CONDITIONS based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
16. arising from POLLUTION CONDITIONS based upon or attributable to acid rain conditions;
17. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

#### V. EXTENDED DISCOVERY PERIOD

The provisions of this clause shall only apply if a period of at least 12 months has elapsed from the date set forth in Item 7 of the Declarations when the NAMED INSURED seeks to exercise the option hereunder.

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

- Where cancellation or non-renewal is by the Company, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.
- Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects POLLUTION CONDITIONS existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as non-renewal.

#### VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of any LOSS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All LOSS arising out of the same or related POLLUTION CONDITIONS at any one location shall be considered a single LOSS, and the limit of liability shown in Item 3 of the Declarations as applicable to "each loss" shall apply.

Subject to the foregoing, the Company's total liability for all LOSSES from claims first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable, shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Total for all LOSSES".

#### VII. CLAIM OR SUIT PROVISIONS

- In the event of a claim or suit, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible.
- If claim is made or suit is instituted against the INSURED, the INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED'S representative.
- No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. The Company shall have the right but not the duty to designate legal counsel to associate in the investigation of claims and the defense of suits. The INSURED shall not admit liability or settle any claim or suit without the Company's consent. If the Company recommends a settlement of a claim or suit:
  - for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for any LOSS in excess of the retention;
  - for a total amount in excess of the balance of the retention and the INSURED refuses such settlement, the Company's liability for LOSS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED's refusal which exceed the retention and fall within the Limit of Liability.

4. The Company shall have the right but not the duty to assume the adjustment of any claim or the defense of any suit. In case of the exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of LOSS falling within the INSURED's retentions. The INSURED shall assist and cooperate with the Company.

### VIII. CONDITIONS

1. **INSPECTION AND AUDIT**—The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis the INSURED'S property or operations, at any time. Neither the Company's right to make inspections, sample and monitor nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. **CANCELLATION**—This policy may be cancelled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown in this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.  
If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
3. **DECLARATIONS**—By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. **ACTION AGAINST COMPANY**—No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgement against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.  
Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED'S liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve the Company of any of its obligations hereunder.
5. **ASSIGNMENT**—Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. **SUBROGATION**—In the event of any payment under this policy, the Company shall be subrogated to all the INSURED'S rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. **CHANGES**—Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. **SOLE AGENT**—The INSURED first named in Item 1 of the declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. **CHOICE OF LAW**—In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.
10. **OTHER INSURANCE**—Where other valid and collectable insurance is available to the NAMED INSURED for LOSSES covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
  - a. This insurance shall apply as excess insurance over any other valid and collectable insurance be it primary or excess.
  - b. Where this insurance is excess over other valid and collectable insurance, the Company will pay only its share of the amount of LOSS, if any, that exceeds the total amount that all such other insurance will pay for the LOSS in the absence of this insurance.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized agent of the Company.

*Linda C. Kohn*

*John M. Dumb*

**PLANET INSURANCE COMPANY**  
**MADISON, WISCONSIN**

**NAMED  
INSURED  
AND  
POST  
OFFICE**

MINVEN GOLD CORP./BROHM MINING CORP.  
P.O. Box 485  
Deadwood, SD 57732

**POLLUTION LEGAL LIABILITY**

**DECLARATIONS**

**THIS IS A CLAIMS-MADE POLICY—PLEASE READ CAREFULLY**

**POLICY NUMBER:** NTA2509593

**Item 1: NAMED INSURED** MINVEN GOLD CORP./BROHM MINING CORP.

**ADDRESS** P.O. Box 485

Deadwood, SD 57732

**Item 2: POLICY PERIOD**

**FROM** January 18, 1993 **TO** January 18, 1994  
12:01 A.M. standard time at the address of the NAMED INSURED shown above.

**Item 3: LIMIT OF LIABILITY, up to \$** 286,000 **each LOSS**

\$ 286,000 **Total for all LOSSES**

**Item 4: RETENTION \$** 50,000 **each LOSS**

**Item 5: COVERED LOCATION(S)** Gilt Edge Mine

Deadwood, SD

**Item 6: POLICY PREMIUM \$** 10,000

**Item 7: EXTENDED DISCOVERY CLAUSE DATE** January 18, 1993

**Broker:** Marsh & McLennan, Inc.  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

  
Authorized Representative BL/sm 1/18/93

**ENDORSEMENT #1**

This endorsement, effective 12:01 a.m., January 18, 1993 forms a part of Policy No. NTA2509593 issued to MINVEN GOLD CORP./BROHM MINING CORP. by Planet Insurance Company.

It is hereby agreed upon that this policy does not apply to LOSS arising out of the following:

- 1) Radioactive Matter Exclusion: the actual, alleged or threatened exposure of person(s) or property to any radioactive matter except where specifically endorsed onto the policy.
- 2) Non-Owned Disposal Site Exclusion: from waste or materials transported via automobile, aircraft, watercraft or rolling stock beyond the boundaries of the covered locations identified in the Declarations.
- 3) Underground Tank and Underground Piping Exclusion: the presence or use of any underground tank or underground piping to or at the covered locations identified in the Declarations.
- 4) Absolute Asbestos Exclusion: the actual, alleged or threatened exposure to person(s) or property to any asbestos matter.
- 5) Superfund Exclusion: locations designated as being either proposed for or on the National Priorities List or on any state "Superfund" list unless specifically scheduled onto the policy by endorsement.

All other terms and conditions remain the same.

  
(Authorized Representative)

**ENDORSEMENT #2**

This endorsement, effective 12:01 a.m., January 18, 1993 forms a part of  
Policy No. NTA2509593 issued to MINVEN GOLD CORP./BROHM MINING CORP.  
by Planet Insurance Company.

It is hereby agreed upon that the following entity will be included as an  
Additional Insured, but solely as respects liability arising out of Minven Gold  
Corp./Brohm Mining Corp.'s ownership, operation, maintenance or use of the  
location covered under this policy.

**ADDITIONAL INSURED**

State of South Dakota

All other terms and conditions remain the same.

  
(Authorized Representative)

**PLANET INSURANCE COMPANY**  
**MADISON, WISCONSIN****APPLICATION FOR POLLUTION LEGAL LIABILITY INSURANCE**  
(Include 10K report, annual report, and flow chart of process if available.)**THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY**

1. NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_  
Brohm Mining Corporation

CONTACT NAME: Myron Anderson TITLE: Director of Environmental Affairs

EPA IDENTIFICATION NUMBER(S): DNA

POST OFFICE ADDRESS: P. O. Box 485, Deadwood, S.D. 57732

TELEPHONE: ( 605 ) 578-2107

LOCATIONS TO BE COVERED: \_\_\_\_\_

2. NAMED INSURED IS:  
☒ Partnership \_\_\_\_\_ ☐ Corporation \_\_\_\_\_ ☐ Joint Venture \_\_\_\_\_ ☐ Other \_\_\_\_\_

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Five Years

4. SALES:

A) ESTIMATED (Ensuing Year): 27,000 Ounces of Gold

B) LAST 5 YEARS: 19 91 19 90 19 89 19 88 19 87  
Ounces: 30,302 33,133 17,160 6,660 0

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

Open pit heap leach gold and silver mine. Start up in 1987. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

6. DESCRIBE THE FACILITY OPERATIONS, INCLUDING MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (ATTACH A SITE DIAGRAM OUTLINING BUILDINGS, STORAGE AREAS, TANKS, ETC.): \_\_\_\_\_

(Same as 5B of previous form) No waste treatment as disposal activities are applicable.

7. PLEASE LIST: A. RAW MATERIALS USED AT LOCATION N/A  
 B. PROCESS MATERIALS USED AT LOCATION:  
 (Plating agents, degreasers, heat treating agents, cleaning solvents, etc.)  
 (Please use additional sheet if space provided is insufficient.)

DESCRIPTION	QUANTITY OF MATERIAL			METHOD OF STORAGE	
	PER YEAR	ANY ONE TIME	DRUM	UNDERGROUND TANK	ABOVEGROUND TANK
<u>B - See List Attached</u>	<u>Attached</u>				

8. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSENERED OR INCREASED) THE RISK OF POLLUTION LIABILITY? YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

9. DO YOU HAVE AN ENVIRONMENTAL SAFETY COMMITTEE OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL? X YES NO

IF SO, DESCRIBE THEIR DUTIES AND TO WHOM THEY REPORT: The Director of Environmental Affairs  
and his assistant report to the General Superintendent who has overall site  
responsibility for production, administrative and environmental matters.

10. ARE THERE ANY STATUTES, STANDARDS, OR OTHER CITY, STATE AND FEDERAL REGULATIONS RELATING TO THE PROTECTION OF THE ENVIRONMENT WHICH APPLY TO ANY LOCATION WITH WHICH YOU CANNOT AT PRESENT COMPLY? YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11. EFFLUENT TREATMENT AND DISCHARGE:

COMPOSITION	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS	QTY/YR
	<u>N/A</u>			

12. SEMI-SOLID AND SOLID WASTE DISPOSAL:

A. ON-SITE DISPOSAL (LANDFILL, SURFACE IMPOUNDMENT, DEEPWELL INJECTION, ETC.)

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
<u>N/A</u>			

**7B-LIST OF PROCESS MATERIALS USED AT GILT EDGE**

<u>Description</u>	<u>Per Year</u>	<u>Method of Any One Time</u>	<u>Storage</u>
Borax	23,400#	450# per week	Bag
Sodium Nitrate	4,680#	90# per week	Bag
Soda Ash	4,680#	90# per week	Bag
D.E.	60,800#	39# per week	Bags
L. P. Gas	36,365 gal.	-	Above
Zinc	72,800#	1,400# per week	Cans
Sulfuric Acid	50 gal.	-	glass container/drum
Lime		(Crusher is down)	
Caustic	(5) 55 gal. Drum per year		
Sodium Cyanide	312,000#	6,000# per week	Flow Bins
Peroxide		500,000#/1 lb./ton of ore	
Descalent	10,800 gallons per year		
Fluorospar	4,680#	450# per week	Bag
Lead Nitrate	1,500#	4# per day	Drums

FOR LANDFILLS OR SURFACE IMPOUNDMENTS, INDICATE SIZE, TYPE OF LINER, ANY MONITORING WELLS, LEACHATE COLLECTION.

B. OFF-SITE DISPOSAL

<u>COMPOSITION</u>	<u>ON-SITE STORAGE METHOD</u>	<u>LENGTH OF STORAGE</u>	<u>QTY/YR</u>	<u>DISPOSAL FACILITY</u>
<u>N/A</u>				

13. TRANSPORTER INFORMATION:

	<u>1</u>	<u>2</u>	<u>3</u>
NAME OF WASTE HAULER	<u>N/A</u>		
EPA ID #			
STATE ID #			

14. AIR EMISSIONS:

NATURE:

COMPOSITION:

TOXIC GASES & VAPORS

N/A

IRRITANT GASES

N/A

MALODOROUS GASES & VAPORS

N/A

ASPHYXIANTS

N/A

AEROSOLS

N/A

VOLUME PER YEAR (WHERE KNOWN): N/A

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS:

N/A

15. THE LOCATION'S SURROUNDING ENVIRONMENT:

- A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE COVERED:

Blackhills National Forest and Associated Forest Plant Community

- B. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES:

Homestake Mining Company (the oldest gold mine in North America) is located approximately 3 miles to the North West.

## 16. ADDITIONAL INFORMATION:

- A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.
- B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS. TYPE OF INVENTORY CONTROL. TESTING METHODS. (See previously submitted information)

## 17. RECORD:

- A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR INTO LAND? \_\_\_\_ YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_

- B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

None

- C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY? \_\_\_\_ YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

## \*NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining CorporationBy: Martin Quick  
V-P Operations

(Title)

Date: January 11, 1993

Agent/Broker: \_\_\_\_\_

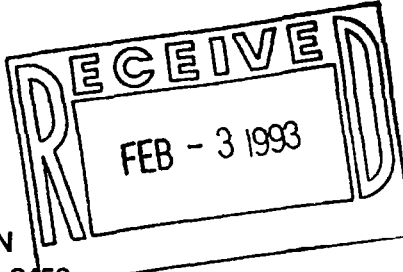
Address: \_\_\_\_\_

IF AN ORDER IS RECEIVED, THE APPLICATION IS ATTACHED TO THE POLICY SO IT IS NECESSARY THAT ALL QUESTIONS BE ANSWERED IN DETAIL.

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123

February 1, 1993



MARSH &  
MCLENNAN

Mr. Martin Quick  
MINVEN GOLD CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: FIRST PARTY POLLUTION  
POLICY NO.: NTD2509514

Dear Martin:

Enclosed is the letter from Brian Lynch which clarifies coverage as respects Exclusion #12 on the captioned policy. Please keep this with your copy of the policy. In addition, I have enclosed a copy of Endorsement #4 which clarifies the intent of the Additional Insured Endorsement wording.

Please review the enclosed and let me know if you have any questions.

Sincerely,

Jennifer Hill  
Client Manager

JH/ci

Enclosure

January 19, 1993

Ms. Jenny Hill  
Marsh & McLennan, Inc.  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

RE: Minven Gold Corp./Brohm Mining Corp.  
Policy #NTD2509514

Dear Jenny:

This letter is to follow-up our conference call with Roxanne Giedd, Marvin Trube and Martin Quick.

During the course of our conversation, some concern was raised concerning the applicability of Exclusion No. 12 of the Pollution Clean-up policy. Please note that this policy is designed to provide coverage for on-site cleanup of pollution conditions as directed by a governmental action. This would include any CLAIM against the Named Insured requiring cleanup of an onsite property even if the Named Insured was no longer solvent (ie. in bankruptcy) or failed to conduct the onsite cleanup.

However, through the application of Exclusion no. 12, this policy does not provide coverage for the Named Insured's intentional, willful, or deliberate non-compliance that leads to a pollution condition. The most typical scenario where this exclusion comes into play is the known and intentional illegal disposal of waste on-site by the site operator. Also, excluded under this item is damage caused by disgruntled employees. In both cases, ECS cannot be held accountable for the individual, deliberate and illegal acts of employees.

I hope this has adequately addressed your concerns. If you should have any further questions, please contact me.

Sincerely,

*Brian Lynch* (NS)

Brian Lynch  
Underwriter

BL/ns

cc: Paul Murdoch  
Scott Britt  
Steve Goebner

ECS  
Underwriting,  
Inc.

One East Uchlan Avenue  
Suite 500  
Weston, Pennsylvania 19381  
(215) 269-6731  
8000 ECS-1414  
(Outside Pennsylvania)  
Fax (215) 524-5354

Endorsement #4

This endorsement effective 12:01 a.m. September 29, 1992 forms a part of policy #NTD2509514 issued to MINVEN GOLD/BROHM MINING CORP. by Planet Insurance Company.

It is hereby agreed upon that endorsement #3 of this policy is deleted in it's entirety and replaced with the following:

The following entity is included as an Additional Insured, but solely as respects liability arising out of Minven Gold Corp./Brohm Mining Corp.'s ownership, operation, maintenance or use of the locations covered under this policy:

ADDITIONAL INSURED

State of South Dakota

All other terms and conditions remain the same.

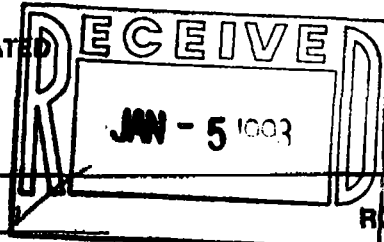


(Authorized Representative)



## TELECOMMUNICATIONS COVER PAGE

MARSH & McLENNAN, INCORPORATED  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203



EQUIPMENT/PHONE NUMBERS:  
Panafax MV 300 (303) 861-8123  
(24 Hours)  
Telephone (303) 861-7111

URGENT

ROUTINE

DATE 1/5/93

TIME

NUMBER OF PAGES INCLUDING COVER 5

TO:

NAME:

Martin Quick

FIRM:

Minwun

DEPT:

CITY:

Denver

FAX #:

573-1012-

FROM: NAME:

Jenny

RE:

3rd Party Pollution Insurance

Attached is a copy of the policy form.

The information contained in this facsimile message is confidential, may be privileged, and is intended only for the use of the individual or entity named above. If you, the reader of the message, are not the intended recipient, or the agent or employee responsible for delivering this transmission to the intended recipient, you are expressly prohibited from copying, disseminating, distribution or in any other way using any of the information contained in this facsimile message.

## MADISON, WISCONSIN

(A Stock Insurance Company Herein Called the Company)

## POLLUTION LEGAL LIABILITY

This is a Claims-Made Policy—Please Read Carefully

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, the Company agrees with the NAMED INSURED as follows:

## I. INSURING AGREEMENT

To indemnify the INSURED against LOSS the INSURED has or will become legally obligated to pay as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.

## II. DEFINITIONS

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. LOSS means:
1. monetary awards or settlements of compensatory damages arising from:
    - a. BODILY INJURY as defined herein, or
    - b. PROPERTY DAMAGE as defined herein, and
  2. costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom caused by POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.
- D. PROPERTY DAMAGE means:
1. physical injury to or destruction of tangible property including the resulting loss of use thereof,
  2. clean up costs,
  3. loss of use of tangible property that has not been physically injured or destroyed;  
provided that such physical injury or destruction, clean up costs and/or loss of use are caused by POLLUTION CONDITIONS emanating from locations designated in Item 5 of the Declarations.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. POLLUTION CONDITIONS means the discharge, dispersal, release or escape of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in BODILY INJURY or PROPERTY DAMAGE.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. AUTOMOBILE means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached thereto.
- I. CLAIM means the assertion of a legal right alleging liability or responsibility on the part of the NAMED INSURED, arising out of POLLUTION CONDITIONS, and shall include but not necessarily be limited to lawsuits or petitions filed against the NAMED INSURED.

## III. TERRITORY

This policy only applies to claims or suits arising from POLLUTION CONDITIONS in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

## IV. EXCLUSIONS

This insurance does not apply to LOSS:

1. arising from POLLUTION CONDITIONS existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such POLLUTION CONDITIONS could have been expected to give rise to a claim;
2. from claims or suits seeking non-pecuniary relief;
3. arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendments of 1978 or the Clean Water Act of 1977 as amended in 1978, or any "deepwater port" as defined in the Deepwater Port Act of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well of any nature whatsoever;

5. arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
6. arising as a result of liability of others assumed by the INSURED under any contract or agreement;
7. arising as a result of PROPERTY DAMAGE or BODILY INJURY to or at the location(s) designated in Item 5 of the Declarations, even if such PROPERTY DAMAGE or BODILY INJURY is incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
8. arising from clean up costs incurred for the remediation of soil and/or groundwater contamination to or at the location(s) designated in Item 5 of the Declarations, even if such clean up costs are incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
9. arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock;
10. arising from POLLUTION CONDITIONS emanating from the location(s) designated in Item 5 of the Declarations, once such location(s) are sold, leased, given away, abandoned or operational control has been relinquished;
11. A. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE
  1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  2. resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL, if
  1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
  2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
  3. the BODILY INJURY or PROPERTY DAMAGE arises out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.
- C. As used in this exclusion:
 

"HAZARDOUS PROPERTIES" include radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BYPRODUCT MATERIAL;

"SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL", and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

  1. any NUCLEAR REACTOR,
  2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
  3. any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
  4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of WASTE,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"PROPERTY DAMAGE" includes all forms of radioactive contamination of property;
12. arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under his name including any container thereof, or any reliance upon a representation of warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs away from premises owned, operated or leased to the INSURED or after physical possession of such has been relinquished to others;

made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after such operations have been completed or abandoned and occurs away from premises owned, operated or leased to the INSURED. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- a. When all operations to be performed by or on behalf of the INSURED under the contract have been completed.
  - b. When all operations to be performed by or on behalf of the INSURED at the site of the operations have been completed, or
  - c. When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
14. due to PROPERTY DAMAGE to goods or products manufactured, sold, handled or distributed by the INSURED arising out of such goods or products or any part thereof, or due to PROPERTY DAMAGE to work performed by or on behalf of the INSURED arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
  15. arising from POLLUTION CONDITIONS based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
  16. arising from POLLUTION CONDITIONS based upon or attributable to acid rain conditions;
  17. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

#### V. EXTENDED DISCOVERY PERIOD

The provisions of this clause shall only apply if a period of at least 12 months has elapsed from the date set forth in Item 7 of the Declarations when the NAMED INSURED seeks to exercise the option hereunder.

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

1. Where cancellation or non-renewal is by the Company, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.
2. Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects POLLUTION CONDITIONS existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as non-renewal.

#### VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of any LOSS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All LOSS arising out of the same or related POLLUTION CONDITIONS at any one location shall be considered a single LOSS, and the limit of liability shown in Item 3 of the Declarations as applicable to "each loss" shall apply.

Subject to the foregoing, the Company's total liability for all LOSSES from claims first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable, shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Total for all LOSSES".

#### VII. CLAIM OR SUIT PROVISIONS

1. In the event of a claim or suit, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible.
2. If claim is made or suit is instituted against the INSURED, the INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED'S representative.
3. No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. The Company shall have the right but not the duty to designate legal counsel to associate in the investigation of claims and the defense of suits. The INSURED shall not admit liability or settle any claim or suit without the Company's consent. If the Company recommends a settlement of a claim or suit:
  - a. for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for any LOSS in excess of the retention;
  - b. for a total amount in excess of the balance of the retention and the INSURED refuses such settlement, the Company's liability for LOSS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED'S refusal which exceed the retention and fall within the Limit of Liability.

In case of the exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of LOSS falling within the INSURED's retentions. The INSURED shall assist and cooperate with the Company.

### VIII. CONDITIONS

1. **INSPECTION AND AUDIT**—The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis the INSURED'S property or operations, at any time. Neither the Company's right to make inspections, sample and monitor nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. **CANCELLATION**—This policy may be cancelled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown in this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.  
If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
3. **DECLARATIONS**—By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. **ACTION AGAINST COMPANY**—No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgement against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.  
Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED'S liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve the Company of any of its obligations hereunder.
5. **ASSIGNMENT**—Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. **SUBROGATION**—In the event of any payment under this policy, the Company shall be subrogated to all the INSURED'S rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. **CHANGES**—Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. **SOLE AGENT**—The INSURED first named in Item 1 of the declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. **CHOICE OF LAW**—In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.
10. **OTHER INSURANCE**—Where other valid and collectable insurance is available to the NAMED INSURED for LOSSES covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
  - a. This insurance shall apply as excess insurance over any other valid and collectable insurance be it primary or excess.
  - b. Where this insurance is excess over other valid and collectable insurance, the Company will pay only its share of the amount of LOSS, if any, that exceeds the total amount that all such other insurance will pay for the LOSS in the absence of this insurance.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized agent of the Company.

*Linda C. Kohn*

*John M. Dunt*

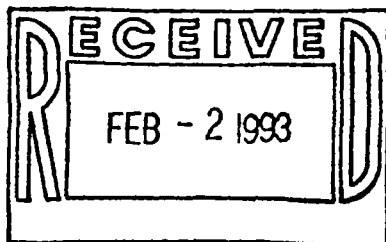
Secretary

President

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123

February 1, 1993



MARSH &  
MCLENNAN

Mr. Martin Quick  
MINVEN GOLD CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: POLLUTION LEGAL LIABILITY  
POLICY NO.: NTA2509593

Dear Martin:

Enclosed is the original policy for the new Pollution Legal Liability coverage which was effective January 18, 1993. In addition, I have enclosed a copy of the letter from Brian Lynch which clarifies the issues that Roxanne Giedd had questions regarding.

Please review the enclosed and let me know if you have any questions.

Sincerely,

Jennifer Hill  
Client Manager

JH/ci

Enclosure

Jennifer Hill

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111  
FAX 303 861 8123

MARSH &  
MCLENNAN

**PLANET INSURANCE COMPANY**  
MADISON, WISCONSIN

NAMED  
INSURED MINVEN GOLD CORP./BROHM MINING CORP.  
AND P.O. Box 485  
POST Deadwood, SD 57732  
OFFICE

**POLLUTION LEGAL LIABILITY**

**DECLARATIONS**

THIS IS A CLAIMS-MADE POLICY—PLEASE READ CAREFULLY

POLICY NUMBER: NTA2509593

Item 1: NAMED INSURED MINVEN GOLD CORP./BROHM MINING CORP.

ADDRESS P.O. Box 485

Deadwood, SD 57732

Item 2: POLICY PERIOD

FROM January 18, 1993 TO January 18, 1994

12:01 A.M. standard time at the address of the NAMED INSURED shown above.

Item 3: LIMIT OF LIABILITY, up to \$ 286,000 each LOSS

\$ 286,000 Total for all LOSSES

Item 4: RETENTION \$ 50,000 each LOSS

Item 5: COVERED LOCATION(S) Gilt Edge Mine

Deadwood, SD

Item 6: POLICY PREMIUM \$ 10,000

Item 7: EXTENDED DISCOVERY CLAUSE DATE January 18, 1993

Broker: Marsh & McLennan, Inc.  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

*Paul M. McD.*  
Authorized Representative BL/sm 1/18/93

INSURED

ENDORSEMENT #1

This endorsement, effective 12:01 a.m., January 18, 1993 forms a part of Policy No. NTA2509593 issued to MINVEN GOLD CORP./BROHM MINING CORP. by Planet Insurance Company.

It is hereby agreed upon that this policy does not apply to LOSS arising out of the following:

- 1) Radioactive Matter Exclusion: the actual, alleged or threatened exposure of person(s) or property to any radioactive matter except where specifically endorsed onto the policy.
- 2) Non-Owned Disposal Site Exclusion: from waste or materials transported via automobile, aircraft, watercraft or rolling stock beyond the boundaries of the covered locations identified in the Declarations.
- 3) Underground Tank and Underground Piping Exclusion: the presence or use of any underground tank or underground piping to or at the covered locations identified in the Declarations.
- 4) Absolute Asbestos Exclusion: the actual, alleged or threatened exposure to person(s) or property to any asbestos matter.
- 5) Superfund Exclusion: locations designated as being either proposed for or on the National Priorities List or on any state "Superfund" list unless specifically scheduled onto the policy by endorsement.

All other terms and conditions remain the same.

  
(Authorized Representative)

**ENDORSEMENT #2**

This endorsement, effective 12:01 a.m., January 18, 1993 forms a part of  
Policy No. NTA2509593 issued to MINVEN GOLD CORP./BROHM MINING CORP.  
by Planet Insurance Company.

It is hereby agreed upon that the following entity will be included as an  
Additional Insured, but solely as respects liability arising out of Minven Gold  
Corp./Brohm Mining Corp.'s ownership, operation, maintenance or use of the  
location covered under this policy.

ADDITIONAL INSURED

State of South Dakota

All other terms and conditions remain the same.



(Authorized Representative)

**PLANET INSURANCE COMPANY**  
MADISON, WISCONSIN

**APPLICATION FOR POLLUTION LEGAL LIABILITY INSURANCE**  
(Include 10K report, annual report, and flow chart of process if available.)

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY

1. NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_  
Brohm Mining Corporation

CONTACT NAME: Myron Anderson TITLE: Director of Environmental Affairs

EPA IDENTIFICATION NUMBER(S): DNA

POST OFFICE ADDRESS: P. O. Box 485, Deadwood, S.D. 57732

TELEPHONE: ( 605 ) 578-2107

LOCATIONS TO BE COVERED: \_\_\_\_\_

2. NAMED INSURED IS:  
☒ Partnership \_\_\_\_\_ ☐ Corporation \_\_\_\_\_ ☐ Joint Venture \_\_\_\_\_ ☐ Other \_\_\_\_\_

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Five Years

4. SALES:

A) ESTIMATED (Ensuing Year): 27,000 Ounces of Gold

B) LAST 5 YEARS: 19 91 19 90 19 89 19 88 19 87  
Ounces: 30,302 33,133 17,160 6,660 0

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

Open pit heap leach gold and silver mine. Start up in 1987. Gold and silver  
recovery by Merrill-Crowe system. Historic underground mining and associated milling  
occurred from late 1800's to late 1930's.

6. DESCRIBE THE FACILITY OPERATIONS, INCLUDING MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (ATTACH A SITE DIAGRAM OUTLINING BUILDINGS, STORAGE AREAS, TANKS, ETC.): \_\_\_\_\_

(Same as 5B of previous form) No waste treatment as disposal activities are applicable.

**7B-LIST OF PROCESS MATERIALS USED AT GILT EDGE**

<u>Description</u>	<u>Per Year</u>	<u>Method of Any One Time</u>	<u>Storage</u>
Borax	23,400#	450# per week	Bag
Sodium Nitrate	4,680#	90# per week	Bag
Soda Ash	4,680#	90# per week	Bag
D.E.	60,800#	39# per week	Bags
L. P. Gas	36,365 gal.	-	Above
Zinc	72,800#	1,400# per week	Cans
Sulfuric Acid	50 gal.	-	glass container/drum
Lime		(Crusher is down)	
Caustic	(5) 55 gal. Drum per year		
Sodium Cyanide	312,000#	6,000# per week	Flow Bins
Peroxide		500,000#/1 lb./ton of ore	
Descalent	10,800 gallons per year		
Fluorospar	4,680#	450# per week	Bag
Lead Nitrate	1,500#	4# per day	Drums

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
N/A			

FOR LANDFILLS OR SURFACE IMPOUNDMENTS, INDICATE SIZE, TYPE OF LINER, ANY MONITORING WELLS, LEACHATE COLLECTION.

**B. OFF-SITE DISPOSAL**

<u>COMPOSITION</u>	<u>ON-SITE STORAGE METHOD</u>	<u>LENGTH OF STORAGE</u>	<u>QTY/YR</u>	<u>DISPOSAL FACILITY</u>
<u>N/A</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

**13. TRANSPORTER INFORMATION:**

	<u>1</u>	<u>2</u>	<u>3</u>
NAME OF WASTE HAULER	<u>N/A</u>	<u></u>	<u></u>
EPA ID #	<u></u>	<u></u>	<u></u>
STATE ID #	<u></u>	<u></u>	<u></u>

**14. AIR EMISSIONS:**NATURE:COMPOSITION:

TOXIC GASES & VAPORS	<u>N/A</u>	<u></u>
IRRITANT GASES	<u>N/A</u>	<u></u>
MALODOROUS GASES & VAPORS	<u>N/A</u>	<u></u>
ASPHYXIANTS	<u>N/A</u>	<u></u>
AEROSOLS	<u>N/A</u>	<u></u>

VOLUME PER YEAR (WHERE KNOWN): N/A

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS:

N/A

**15. THE LOCATION'S SURROUNDING ENVIRONMENT:**

- A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE COVERED:

Blackhills National Forest and Associated Forest Plant Community

- B. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES:   
Homestake Mining Company (the oldest gold mine in North America) is located  
approximately 3 miles to the North West.

16. ADDITIONAL INFORMATION:

- A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.
- B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS, TYPE OF INVENTORY CONTROL, TESTING METHODS. (See previously submitted information)

17. RECORD:

- A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR INTO LAND? \_\_\_ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

- B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

None

- C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY? \_\_\_ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\*NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material therein, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corporation

By: Martin Quick (Title) V-P Operations Date: January 11, 1993

Agent/Broker: Mush & Moleman Inc.

Address: 1700 Lincoln Suite 4900 Denver CO 80203

IF AN ORDER IS RECEIVED, THE APPLICATION IS ATTACHED TO THE POLICY SO IT IS NECESSARY THAT ALL QUESTIONS BE ANSWERED IN DETAIL.

# PLANET INSURANCE COMPANY

MADISON, WISCONSIN

(A Stock Insurance Company Herein Called the Company)

## POLLUTION LEGAL LIABILITY

This is a Claims-Made Policy—Please Read Carefully

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, the Company agrees with the NAMED INSURED as follows:

### I. INSURING AGREEMENT

To indemnify the INSURED against LOSS the INSURED has or will become legally obligated to pay as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.

### II. DEFINITIONS

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. LOSS means:
  - 1. monetary awards or settlements of compensatory damages arising from:
    - a. BODILY INJURY as defined herein, or
    - b. PROPERTY DAMAGE as defined herein, and
  - 2. costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom caused by POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.
- D. PROPERTY DAMAGE means:
  - 1. physical injury to or destruction of tangible property including the resulting loss of use thereof,
  - 2. clean up costs,
  - 3. loss of use of tangible property that has not been physically injured or destroyed;  
provided that such physical injury or destruction, clean up costs and/or loss of use are caused by POLLUTION CONDITIONS emanating from locations designated in Item 5 of the Declarations.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. POLLUTION CONDITIONS means the discharge, dispersal, release or escape of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in BODILY INJURY or PROPERTY DAMAGE.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. AUTOMOBILE means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached thereto.
- I. CLAIM means the assertion of a legal right alleging liability or responsibility on the part of the NAMED INSURED, arising out of POLLUTION CONDITIONS, and shall include but not necessarily be limited to lawsuits or petitions filed against the NAMED INSURED.

### III. TERRITORY

This policy only applies to claims or suits arising from POLLUTION CONDITIONS in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

### IV. EXCLUSIONS

This insurance does not apply to LOSS:

- 1. arising from POLLUTION CONDITIONS existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such POLLUTION CONDITIONS could have been expected to give rise to a claim;
- 2. from claims or suits seeking non-pecuniary relief;
- 3. arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendments of 1978 or the Clean Water Act of 1977 as amended in 1978, or any "deepwater port" as defined in the Deepwater Port Act of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well of any nature whatsoever;

January 19, 1993

Ms. Jenny Hill  
Marsh & McLennan, Inc.  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

RE: Minven Gold Corp./Brohm Mining Corp.  
Policy #NTA2509593

Dear Jenny:

This letter is to follow-up our conference call with Roxanne Giedd, Marvin Trube and Martin Quick.

During the course of our conversation, some concern was raised concerning the applicability of Exclusion No. 15 of the Pollution Legal Liability policy. Please note that this policy is designed to provide coverage for Bodily Injury/Property Damage including cleanup of pollution conditions emanating from the covered site. This would include any CLAIM against the Named Insured requiring cleanup of an offsite property even if the Named Insured was no longer solvent (ie. in bankruptcy) or failed to conduct the offsite cleanup.

However, through the application of Exclusion no. 15, this policy does not provide coverage for the Named Insured's intentional, willful, or deliberate non-compliance that leads to a pollution condition. Also, excluded under this item is damage caused by disgruntled employees. In both cases, ECS cannot be held accountable for the individual, deliberate and illegal acts of employees.

I hope this has adequately addressed your concerns. If you should have any further questions, please contact me.

Sincerely,

 (15)

Brian Lynch  
Underwriter

BL/ns

cc: Paul Murdoch  
Scott Britt  
Steve Goebner

ECS  
Underwriting,  
Inc.

One East Uwechlan Avenue  
Suite 300  
P.O. Box 19341  
Phoenix, Arizona 85061  
(602) 269-6731  
(800) ECS-1414  
(Outside Pennsylvania)  
Fax (602) 524-5554

4. The Company shall have the right but not the duty to assume the adjustment of any claim or the defense of any suit. In case of the exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of LOSS falling within the INSURED's retentions. The INSURED shall assist and cooperate with the Company.

#### VIII. CONDITIONS

1. **INSPECTION AND AUDIT**—The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis the INSURED'S property or operations, at any time. Neither the Company's right to make inspections, sample and monitor nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. **CANCELLATION**—This policy may be cancelled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown in this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.  
  
If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
3. **DECLARATIONS**—By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. **ACTION AGAINST COMPANY**—No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgement against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.  
  
Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED'S liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve the Company of any of its obligations hereunder.
5. **ASSIGNMENT**—Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. **SUBROGATION**—In the event of any payment under this policy, the Company shall be subrogated to all the INSURED'S rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. **CHANGES**—Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. **SOLE AGENT**—The INSURED first named in Item 1 of the declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. **CHOICE OF LAW**—In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.
10. **OTHER INSURANCE**—Where other valid and collectable insurance is available to the NAMED INSURED for LOSSES covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
  - a. This insurance shall apply as excess insurance over any other valid and collectable insurance be it primary or excess.
  - b. Where this insurance is excess over other valid and collectable insurance, the Company will pay only its share of the amount of LOSS, if any, that exceeds the total amount that all such other insurance will pay for the LOSS in the absence of this insurance.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized agent of the Company.

*Linda C. Kohn*

*[Signature]*

Secretary

President

4. arising under any worker's compensation, unemployment compensation or disability benefits law or similar law;
5. arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
6. arising as a result of liability of others assumed by the INSURED under any contract or agreement;
7. arising as a result of PROPERTY DAMAGE or BODILY INJURY to or at the location(s) designated in Item 5 of the Declarations, even if such PROPERTY DAMAGE or BODILY INJURY is incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
8. arising from clean up costs incurred for the remediation of soil and/or groundwater contamination to or at the location(s) designated in Item 5 of the Declarations, even if such clean up costs are incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
9. arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock;
10. arising from POLLUTION CONDITIONS emanating from the location(s) designated in Item 5 of the Declarations, once such location(s) are sold, leased, given away, abandoned or operational control has been relinquished;

11. A. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE

1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
2. resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL, if

1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
3. the BODILY INJURY or PROPERTY DAMAGE arises out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.

C. As used in this exclusion:

"HAZARDOUS PROPERTIES" include radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BYPRODUCT MATERIAL;

"SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL", and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

1. any NUCLEAR REACTOR,
2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
3. any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of WASTE,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"PROPERTY DAMAGE" includes all forms of radioactive contamination of property;

12. arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under his name including any container thereof, or any reliance upon a representation of warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs away from premises owned, operated or leased to the INSURED or after physical possession of such has been relinquished to others;

13. arising out of operations performed by or on behalf of the INSURED or reliance upon a representation or warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after such operations have been completed or abandoned and occurs away from premises owned, operated or leased to the INSURED. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:
- When all operations to be performed by or on behalf of the INSURED under the contract have been completed;
  - When all operations to be performed by or on behalf of the INSURED at the site of the operations have been completed, or
  - When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
14. due to PROPERTY DAMAGE to goods or products manufactured, sold, handled or distributed by the INSURED arising out of such goods or products or any part thereof, or due to PROPERTY DAMAGE to work performed by or on behalf of the INSURED arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
15. arising from POLLUTION CONDITIONS based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
16. arising from POLLUTION CONDITIONS based upon or attributable to acid rain conditions;
17. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

#### V. EXTENDED DISCOVERY PERIOD

The provisions of this clause shall only apply if a period of at least 12 months has elapsed from the date set forth in Item 7 of the Declarations when the NAMED INSURED seeks to exercise the option hereunder.

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

- Where cancellation or non-renewal is by the Company, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.
- Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects POLLUTION CONDITIONS existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as non-renewal.

#### VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of any LOSS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All LOSS arising out of the same or related POLLUTION CONDITIONS at any one location shall be considered a single LOSS, and the limit of liability shown in Item 3 of the Declarations as applicable to "each loss" shall apply.

Subject to the foregoing, the Company's total liability for all LOSSES from claims first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable, shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Total for all LOSSES".

#### VII. CLAIM OR SUIT PROVISIONS

- In the event of a claim or suit, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible.
- If claim is made or suit is instituted against the INSURED, the INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED'S representative.
- No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. The Company shall have the right but not the duty to designate legal counsel to associate in the investigation of claims and the defense of suits. The INSURED shall not admit liability or settle any claim or suit without the Company's consent. If the Company recommends a settlement of a claim or suit:
  - for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for any LOSS in excess of the retention;
  - for a total amount in excess of the balance of the retention and the INSURED refuses such settlement, the Company's liability for LOSS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED's refusal which exceed the retention and fall within the Limit of Liability.

To	JC Sorens	From	Lance H.
Co.	Minven	Co.	Brohm
Dept.		Phone #	
Fax #		Fax #	



May 14, 1993

Mr. Bryon Lynch  
ECS Underwriting Inc.  
520 Eagleview Blvd.  
Exton, PA 19341

Dear Mr. Lynch:

First, I want to thank you for the thirty day extension of your request for information. I do apologize for letting this issue fall through the cracks, so to speak.

The following is an issue by issue response to these topics we discussed during our phone conversation of May 10, 1993.

**92-11-1** While Brohm would like to keep ECS updated with the EPA NPDES/citizens lawsuit controversy, much of the correspondence is client-attorney privileged material. The sheer bulk of this correspondence would also be a matter of concern. If the ECS underwriter has specific questions, Brohm will make every attempt to answer when possible. As a brief update, the "DRAFT" NPDES permits are out for public review/comment. This comment period will end on May 28, 1993. The EPA will then address the various comments and issue a final NPDES permit(s). Brohm has met the target dates specified in the EPA Interim Compliance Order.

**92-11-2** The inspections requested by ECS have been performed on a quarterly basis since mid 1988. The inspections cover all areas of the process facility in which chemicals and reagents are stored or used. At the ECS underwriters request, Brohm will include the petroleum products storage facility in this inspection routine. Previously, this area was inspected by the mining contractor who has now left the mine site. The petroleum products are in double containment.

South Dakota Office: P.O. Box 485, Deadwood, South Dakota 57732  
Telephone: (605) 578-2107 Telecopier: (605) 578-1709

Brohm Mining Corp. is a wholly owned affiliate of



Minven Gold Corporation

**Brohm Mining Corp.**

**Page 2**


**May 14, 1993**

92-11-3 All liquid laboratory wastes are returned to the process surge pond (triple-lined). For a period of time, certain laboratory wastes (centrifuge tubes) were not disposed or recycled. These wastes are stored in sealed heavy plastic drum liners inside sealed drums. As the work load lightened up in the laboratory, there has been time available to clean and reuse the centrifuge tubes. At the present time, there are no plans for disposal of these wastes.

I hope that this answers any questions you may have had. If not, please call me at 605/578-2107.

Thank you,

**BROHM MINING CORP.**

  
Lance J. Hubbard  
Interim Environmental Mgr.

LH:sm

cc Rod MacLeod  
JC Sowers

ENVIRECS.LH

→ M.G.  
Martin - this has not  
been furnished by Brohm  
As it is critical to continue  
our financial assurance  
bond coverage, could you  
please make sure it gets  
done? Thx Jc  
May 5, 1993

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123



MARSH &  
MCLENNAN

Mr. J.C. Sowers  
MINVEN GOLD CORPORATION  
410 17th Street, Suite 2450  
Denver, Colorado 80202

RE: LOSS CONTROL RECOMMENDATIONS  
POLICY NO. NTD2509514

Dear J.C.:

Per my call to you this morning, attached is a list of engineering recommendations that were sent to Myron Anderson at the Gilt Edge Mine.

Please contact Myron and stress the importance of complying with these recommendations. These are sound, preventative maintenance procedures, and would certainly hinder spills. The underwriter wanted a written response from Myron by April 29th, verifying compliance and/or procedures implemented to complete the recommendation. We will ask for an extension to this date.

I am also attaching a copy of the letter from the underwriting company, clarifying coverage, and Exclusion #12. I would not want the lack of compliance of these recommendations to fall under Exclusion #12, thereby, voiding coverage.

Please let me know if you have any questions on the recommendation procedures.

Sincerely,

Karma Dingman  
Assistant Vice President

KD/fh

Enclosures

March 29, 1993

Mr. Myron Anderson  
Minven Gold Corporation/Gilt Edge Mine  
P.O. Box 485  
Deadwood, SD 57732

**ECS**  
Underwriting,  
Inc.

20 Eagleview Boulevard  
Exton, PA 19341  
(215) 458-0570  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 458-8667

RE: RECOMMENDATION COMPLIANCE

Dear Mr. Anderson:

Attached for your review please find the engineering recommendations developed by our risk assessment firm during their last visit to your facility.

Your compliance with such recommendations is a key factor in determining the on-going insurability of risks.

We greatly appreciate your cooperation and trust we will receive a formal response to the recommendations by April 29, 1993. Please send all responses directly to ECS to the attention of Nicole Smith.

Sincerely,

Brian Lynch  
Underwriter

BL/dj

Enclosure

cc: Nicole Smith

Mr. Jim Price  
Marsh & McLennan, Inc.  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

**Summary of CSI Recommendations  
for  
MinVen Gold Corp./Brohm Mining Corp.  
Gilt Edge Mine  
Deadwood, South Dakota**

- 92-11-1 It is recommended that Brohm Mining periodically update the ECS Pollution Underwriter of the status of the NPDES permit application and the associated court case. Copies of pertinent correspondence between MinVen/Brohm and the regulatory agencies should also be forwarded to the ECS Pollution Underwriter. (as applicable)
- 92-11-2 It is recommended that inspections and integrity testing be performed on the aboveground tanks operated by Brohm on a scheduled bases. Inspections and testing should include at a minimum, periodically performed visual inspections of the external shell and secondary containment to identify cracks or signs of deterioration. The records of the inspections should be kept on site for documentation, and copies should be submitted to the ECS underwriter. (as applicable).
- 92-11-3 It is recommended that Brohm develop a formal inventory tracking system for laboratory wastes. Additionally, the storage areas for drummed laboratory waste should be provided with secondary containment and cover from the elements. The storage of laboratory waste should not be stored on site for extended periods of time prior to shipment off site for disposal. (92-11-3)

January 19, 1993

Ms. Jenny Hill  
Marsh & McLennan, Inc.  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

RE: Minven Gold Corp./Brohm Mining Corp.  
Policy #NTD2509514

Dear Jenny:

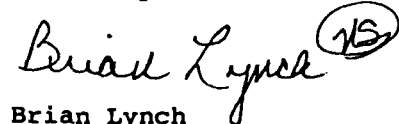
This letter is to follow-up our conference call with Roxanne Giedd, Marvin Trube and Martin Quick.

During the course of our conversation, some concern was raised concerning the applicability of Exclusion No. 12 of the Pollution Clean-up policy. Please note that this policy is designed to provide coverage for on-site cleanup of pollution conditions as directed by a governmental action. This would include any CLAIM against the Named Insured requiring cleanup of an onsite property even if the Named Insured was no longer solvent (ie. in bankruptcy) or failed to conduct the onsite cleanup.

However, through the application of Exclusion no. 12, this policy does not provide coverage for the Named Insured's intentional, willful, or deliberate non-compliance that leads to a pollution condition. The most typical scenario where this exclusion comes into play is the known and intentional illegal disposal of waste on-site by the site operator. Also, excluded under this item is damage caused by disgruntled employees. In both cases, ECS cannot be held accountable for the individual, deliberate and illegal acts of employees.

I hope this has adequately addressed your concerns. If you should have any further questions, please contact me.

Sincerely,



Brian Lynch  
Underwriter

BL/ns

cc: Paul Murdoch  
Scott Britt  
Steve Goebner

**ECS**  
**Underwriting**  
**Inc.**

One East Cwchlan Avenue  
Suite 300  
Exton, Pennsylvania 19341  
(215) 269-6731  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 524-5354

ECS insurance policy (T/c w/ Lance 5/10/93)

Deadline is extended to 5/30/93

today 5/10/93

Brian Lynch T/c w/ Lance where Brohm is in compliance.  
Only issue is really tracking system for lab waste.

Tank inspections - instituted quarterly inspect started 6/88  
ECS just w/ not aware of it.

Fuel storage area - left up to the Contractor - but now  
w/ Blattner's out, we'll add that to our routine  
inspection program, quarterly.

**MINVEN GOLD CORPORATION/  
BROHM MINING CORP.**  
**1993/1994 RENEWAL QUESTIONNAIRE**

Presented by:

Karma Dingman, Assistant Vice President

**MARSH & McLENNAN, INCORPORATED**  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203  
(303) 861-7111

June, 1993

**MARSH &  
McLENNAN**

MINVEN GOLD CORPORATION/  
BROHM MINING CORP.

1993/1994 RENEWAL QUESTIONNAIRE

POLLUTION LIABILITY

	1992/1993 Current	1993/1994 Renewal
POLLUTION LEGAL LIABILITY: (Claims Made)		
Location: Gilt Edge Mine Deadwood, South Dakota		
Each Loss	\$ 286,000	\$ <u>307,000</u>
Total for All Losses	\$ 286,000	\$ <u>307,000</u>

MINVEN GOLD CORPORATION/  
BROHM MINING CORP.

1993/1994 RENEWAL QUESTIONNAIRE

POLLUTION LIABILITY (Continued)

	1992/1993 Current	1993/1994 Renewal
FIRST PARTY POLLUTION CLEAN UP: (Claims Made)		
Location: Gilt Edge Mine Deadwood, South Dakota		
Each Loss	\$ 286,000	\$ <u>307,000</u>
Total for All Losses	\$ 286,000	\$ <u>307,000</u>

PLANET INSURANCE COMPANY

Sun Prairie, Wisconsin

APPLICATION FOR POLLUTION CLEAN-UP COVERAGE

(Include 10K report, annual report, and flow chart of process if available.)

This is an application for a CLAIMS MADE Policy

POLICY YEAR  
9/29/93-94

1) NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

Brohm Mining Corporation

EPA IDENTIFICATION NUMBER(S): DNA

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, S.D. 57732

LOCATIONS TO BE COVERED: Gilt Edge Mine

2) NAMED INSURED IS:

\_\_\_\_ Partnership X Corporation \_\_\_\_ Joint Venture \_\_\_\_ Other \_\_\_\_

3) HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Since 1987

4) SALES:

A) ESTIMATED (Ensuing Year): 9,000 Ounces of Gold

B) LAST 5 YEARS: 19 92 19 91 19 90 19 89 19 88  
26,838 30,302 33,133 17,160 6,660

5) COMPANY PROFILE AND ENVIRONMENTAL AFFAIRS MANAGEMENT

- A) Outline the site history including any previous uses of the site and by whom: Open pit heap leach gold and silver mine. Start up in 1987.

Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

- B) Briefly describe the operations conducted at the facility, including raw materials and by-products: Ore/waste rock is produced from mine by surface mining method. Waste rock is delivered to modified valley-fill repository. Ore is crushed to 1" size and carried to triple-lined (clay, fml,fml) leach pad. A diluted cyanide solution is applied to ore. Dilute cyanide solution is piped to plant where gold/silver is recovered.

- C) Give details on any claims or lawsuits against the company, including outcome when applicable: The Technical Information Project of Rapid City, S.D. filed suit against Brohm in 1992 over a traditional NPDES permit. The suit was settled in August 1993 wherein Brohm agreed to pay TIP \$25,000 to cover its legal costs.

- D) Describe the Management Organization and identify those managers with environmental responsibility (attach organization chart if available): See attached organizational chart

- E) Briefly describe any employee training classes held: Employees trained in accordance with 30CFR part 48. Additional training on an "as needed" basis conducted. Separate and unique one time training by vendors (DuPont, DeGussa, etc.)
- F) Describe the company's interaction with local, state, and federal authorities: Company official is member of the County LEPC which has recently updated its emergency planning in accordance with "Sarah Title III". Company reports regularly to the County Planning and Zoning administration. Company officials work closely with South Dakota DENR on nearly a daily basis. Other than MSHA, company dealings with Federal agencies is on a sporadic basis.

6) OVERALL FACILITY OPERATIONS

- A) Provide a description of the site, including adjacent properties and target populations (attach site plan) See attached site plan. Attachment III

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- B) Identify nearby water sources, both surface and groundwater: \_\_\_\_\_  
See attached site plan. Attachment III.

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- C) Are there any protected environments in the area (parks, wildlife preserves, etc.)? \_\_\_\_ yes X no

If yes, please describe: \_\_\_\_\_

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D) Briefly describe the geology and hydrogeology of the area: \_\_\_\_\_

See Attachment III

E) Identify any surface or groundwater uses in the area (drinking wells, etc.):

No domestic or commercial uses within 1 mile of property boundaries.

F) Is public water and sewer available? \_\_\_\_ yes ☒ no

G) Outline the security measures at the facility, describe the facility access points, security system, posted areas: Facility is accessed via private access road through main gate located at Administration building operated by remote controllers. Access to property is through ancillary routes controlled by fences/locked gates. Ancillary access is primarily by abandoned logging trails. Facility product is under constant video, IR and motion detector type electronic surveillance. Security system is monitored at a remote central monitoring location.

H) List the safety programs presently in place: Employee training is in compliance with 30CFR part 48, additional training on "as-needed" basis supplied in-house or by applicable vendors i.e. DuPont, DeGussa, etc. An employee safety incentive program is in place.

I) Describe the fire safety systems in place: Portable fire extinguishers are located throughout facility as per regulatory requirements. Plant has dedicated fire-fighting system (standardized hoses, fittings and piping compatible with local fire department(s). Also in place are dedicated fire suppression pumps, back up electrical system and 60,000 gallon water storage, in accordance with local zoning ordinances and NFPA recommendations.

J) Outline the emergency procedures used at the facility: A spill contingency plan is in place updated yearly, facility personnel involved in LEPC. South Dakota Mining Association sponsors a Technical Advisory Committee. Several employees have EMT status.

7) SOLID AND HAZARDOUS WASTE MANAGEMENT

A) Outline the sources of solid and hazardous waste: All liquid laboratory wastes are returned to the process surge pond (triple-lined). For a period of time, certain laboratory wastes (Centrifuge tubes) were not disposed or recycled. These wastes are stored in sealed heavy plastic drum liners inside sealed drums. As the work load lightened up in the laboratory, there has been time available to clean and reuse the centrifuge tubes. At the present time, there are no plans for disposal of these wastes.

B) Describe the storage practices used: See A) above.

C) Describe the disposal methods used: \_\_\_\_\_

D) Is there a manifest system in place (include a recent copy)?      yes X no

E) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

F) Is there a wastewater treatment unit on site?      yes X no

If yes, identify:

1) What type of treatment? \_\_\_\_\_

2) Quantity per year \_\_\_\_\_

3) Discharge points for treated wastewater \_\_\_\_\_

G) Identify discharge points for wastewater and stormwater: Storm water

discharge points only. See attached site plan. Attachment IV

H) Describe any lagoons, impoundments, or landfills on site: N/A

1) Is incineration done on site?      yes      X      no

If yes, identify:

1) Emission Controls:

2) Air Monitoring procedures:

3) List permits and attach copies:

## 8) SPILL CONTAINMENT AND CONTINGENCY PLANNING

A) Are materials stored in drums?   x   yes        no

If yes, identify:

**See Attachment I. Hydrogen Peroxide, Descalent, Sodium**

1) Type of materials: Cyanide, Fluorospar, Carbon Dioxide, ANFO, Lead Nitrate  
Caustic Soda, Borax, Diatomaceous Earth, L.P. Gas, Zinc, Sulfuric Acid,  
Sodium Nitrate, Soda Ash, Lime.

2) Quantity of materials: Normal operational quantities.

3) Description of storage area: See Attachment I

4) Inventory control (permitted amount): No permitted limits.

B) Tank Storage: See Attachment I

<u>Tank No.</u>	<u>Material</u>	<u>Capacity</u>	<u>Age</u>	<u>A/G or U/G</u>	<u>Diked</u>
	Hydrogen	8,000 gal.			
1 & 2	Peroxide	10,000 gal.	3 yrs.	A/G	No
3 & 4	Liquid Propane	10-12,000 gal.	(unknown)	A/G	No
	Diesel	10,000 gal.	(unknown)	A/G	Yes
	Gasoline	1,000 gal.	(unknown)	A/G	Yes
	Carbon Dioxide	8,000 gal.	(unknown)	A/G	No

C) Have any underground tanks or underground piping ever been present at the site? \_\_\_ yes X no

If yes, please explain: \_\_\_\_\_

D) Is a spill plan approved and on file (attach copy)? X yes \_\_\_ no

9) OTHER CONCERNS

(See Attachment V)

A) Is there any asbestos located anywhere on the site? \_\_\_ yes X no

If yes, identify: \_\_\_\_\_

B) Is there any PCB contaminated material anywhere on the site? \_\_\_ yes X no

If yes, identify: \_\_\_\_\_

10) ADDITIONAL INFORMATION

A) Please attach the latest monitoring results for facility effluent discharges, air emissions, landfills, or surface impoundments, including any groundwater data available. See Attachments VI & VII.

B) Please attach a schedule of all storage tanks including the following information: capacity, age, above or below ground, spill containment methods, contents, steel or fiberglass, type of inventory control, testing methods.

See Attachment I

11) RECORD

- A) Have you during the last 5 years been prosecuted for contravention of any standard or law relating to the release from the location of a substance into sewers, rivers, air or onto land? \_\_\_\_ yes \_\_\_\_ ☒ no (Settled without going to court)

If yes, give details: \_\_\_\_\_

\_\_\_\_\_

- B) Please describe any pollution claims during the last 5 years (if none, please so state): None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- C) At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy?

\_\_\_\_ yes \_\_\_\_ ☒ no

If yes, give details: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\* NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corp.

By: [Signature] TREASURER  
(Title) Date: AUGUST 24, 1993

Agent/Broker: Marsh McLennan, Inc.

Address: 1700 Lincoln, Suite 4900 Denver, CO 80203

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

PLANET INSURANCE COMPANY

Sun Prairie, Wisconsin

APPLICATION FOR POLLUTION CLEAN-UP COVERAGE

(Include 10K report, annual report, and flow chart of process if available.)

This is an application for a CLAIMS MADE Policy

1) NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

Brohm Mining Corporation

EPA IDENTIFICATION NUMBER(S): DNA

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, SD 57732

LOCATIONS TO BE COVERED: Gilt Edge Mine

2) NAMED INSURED IS:

GA Partnership ☒ Corporation ☐ Joint Venture ☐ Other \_\_\_\_\_

3) HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Five Years Since 1987

4) SALES:

A) ESTIMATED (Ensuing Year): 9,000  
24,000 Ounces of Gold

B) LAST 5 YEARS: 1991 1990 1989 1988 1987  
Ounces: 30,302 33,133 17,160 6,660 0

1992  
26,838

## 5) COMPANY PROFILE AND ENVIRONMENTAL AFFAIRS MANAGEMENT

- A) Outline the site history including any previous uses of the site and by whom: Open pit heap leach gold and silver mine. Start up in 1987.

Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

- B) Briefly describe the operations conducted at the facility, including raw materials and by-products: Ore/waste rock is produced from mine by surface mining method. Waste rock is delivered to modified valley-fill repository. Ore is crushed to 1" size and carried to triple-lined (clay,fml,fml) leach pad. A diluted cyanide solution is applied to ore. Dilute cyanide solution is piped to plant where gold/silver is recovered.

- C) Give details on any claims or lawsuits against the company, including outcome when applicable: No lawsuits have been filed against Brohm Mining Corporation, however the technical information project of Rapid City, SD is threatening legal action if Brohm Mining Corporation does not obtain a traditional NPDES permit from the EPA. Brohm and its legal counsel have been in contact with EPA, and it appears the lawsuit may not come to pass.

- D) Describe the Management Organization and identify those managers with environmental responsibility (attach organization chart if available):

See attached organizational chart

*Ceri - what did we give them last year?*

The Technical Information Project of Rapid City, SD filed suit against Brohm in 1992 over a traditional NPDES permit. The suit was settled in August 1993 wherein Brohm agreed to pay TIP \$25,000 to cover its legal costs.

E) Briefly describe any employee training classes held: Employees trained in accordance with 30CFR part 48. Additional training on an "as needed" basis conducted. Separate and unique one time training by vendors (DuPont, DeGussa, etc.)

F) Describe the company's interaction with local, state, and federal authorities: Company official is member of the County LEPC which has recently updated its emergency planning in accordance with "Sarah Title III". Company reports regularly to the County Planning and Zoning administration. Company officials work closely with South Dakota DENR on nearly a daily basis. Other than MSHA, company dealings with Federal agencies is on a sporadic basis.

#### 6) OVERALL FACILITY OPERATIONS

A) Provide a description of the site, including adjacent properties and target populations (attach site plan) See attached site plan. Attachment III.

B) Identify nearby water sources, both surface and groundwater: \_\_\_\_\_

See attached site plan. Attachment III.

C) Are there any protected environments in the area (parks, wildlife preserves, etc.)? yes ☒ no

If yes, please describe: \_\_\_\_\_

*Geni - what did we attach here?*

D) Briefly describe the geology and hydrogeology of the area: \_\_\_\_\_

See Attachment III.

E) Identify any surface or groundwater uses in the area (drinking wells, etc.):

No domestic or commercial uses within 1 mile of property boundaries

F) Is public water and sewer available? \_\_\_\_ yes X no

G) Outline the security measures at the facility, describe the facility access points, security system, posted areas: Facility is accessed via private access road through main gate located at Administration building operated by remote controllers. Access to property is through ancillary routes controlled by fences/locked gates. Ancillary access is primarily by abandoned logging trails. Facility product is under constant video, IR and motion detector type electronic surveillance. Security system is monitored at a remote central monitoring location.

H) List the safety programs presently in place: Employee training is in compliance with 30CFR part 48, additional training on "as-needed" basis supplied in-house or by applicable vendors i.e. DuPont, DeGussa, etc. An employee safety incentive program is in place.

I) Describe the fire safety systems in place: Portable fire extinguishers are located throughout facility as per regulatory requirements. Plant has dedicated fire-fighting system (standardized hoses, fittings and piping compatible with local fire department(s)). Also in place are dedicated fire suppression pumps, back up electrical system and 60,000 gallon water storage, in accordance with local zoning ordinances and NFPA recommendations.

J) Outline the emergency procedures used at the facility: A spill contingency plan is in place, updated yearly; facility personnel involved in LEPC. South Dakota Mining Association sponsors a Technical Advisory Committee. Several employees have EMT status.

7) SOLID AND HAZARDOUS WASTE MANAGEMENT

A) Outline the sources of solid and hazardous waste: N/A

- 92-11-3 All liquid laboratory wastes are returned to the process surge pond (triple-lined). For a period of time, certain laboratory wastes (centrifuge tubes) were not disposed or recycled. These wastes are stored in sealed heavy plastic drum liners inside sealed drums. As the work load lightened up in the laboratory, there has been time available to clean and reuse the centrifuge tubes. At the present time, there are no plans for disposal of these wastes.

C) Describe the disposal methods used: N/A see A) above.

D) Is there a manifest system in place (include a recent copy)? yes ☒ no

E) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

F) Is there a wastewater treatment unit on site? yes ☒ no

If yes, identify:

1) What type of treatment? \_\_\_\_\_

2) Quantity per year \_\_\_\_\_

3) Discharge points for treated wastewater \_\_\_\_\_

G) Identify discharge points for wastewater and stormwater: Storm water  
discharge points only. See attached site plan. Attachment IV. Ger?

H) Describe any lagoons, impoundments, or landfills on site: N/A

I) Is incineration done on site? yes X no

If yes, identify:

1) Emission Controls: \_\_\_\_\_

2) Air Monitoring procedures: \_\_\_\_\_

3) List permits and attach copies: \_\_\_\_\_

#### B) SPILL CONTAINMENT AND CONTINGENCY PLANNING

A) Are materials stored in drums? X yes no

If yes, identify:

1) Type of materials: See Attachment I. Hydrogen Peroxide, Descalent, Sodium Cyanide, Fluorospar, Carbon Dioxide, ANFO, Lead Nitrate Caustic Soda, Borax, Diatomaceous Earth, L.P. Gas, Zinc, Sulfuric Acid, Sodium Nitrate, Soda Ash, Lime.

2) Quantity of materials: Normal operational quantities.

3) Description of storage area: See Attachment I.

4) Inventory control (permitted amount): No permitted limits.

Geri?

B) Tank Storage: See Attachment I.

<u>Tank No.</u>	<u>Material</u>	<u>Capacity</u>	<u>Age</u>	<u>A/G or U/G</u>	<u>Diked</u>
	Hydrogen	8,000 gal.			
1 & 2	Peroxide	10,000 gal.	3 yrs.	A/G	No
3 & 4	Liquid Propane	10-12,000 gal.	5 yrs.	A/G	No
	Diesel	10,000 gal. (unknown)		A/G	Yes
	Gasoline	1,000 gal. (unknown)		A/G	Yes
	Carbon Dioxide	8,000 gal. (unknown)		A/G	No

C) Have any underground tanks or underground piping ever been present at the site? yes X no

If yes, please explain: \_\_\_\_\_

D) Is a spill plan approved and on file (attach copy)? X yes no  
(See Attachment V)

9) OTHER CONCERNS

A) Is there any asbestos located anywhere on the site? yes X no

If yes, identify: \_\_\_\_\_

B) Is there any PCB contaminated material anywhere on the site? yes X no

If yes, identify: \_\_\_\_\_

10) ADDITIONAL INFORMATION

A) Please attach the latest monitoring results for facility effluent discharges, air emissions, landfills, or surface impoundments, including any groundwater data available. See Attachments VI & VII.

B) Please attach a schedule of all storage tanks including the following information: capacity, age, above or below ground, spill containment methods, contents, steel or fiberglass, type of inventory control, testing methods. See Attachment I.

11) RECORD

- A) Have you during the last 5 years been prosecuted for contravention of any standard or law relating to the release from the location of a substance into sewers, rivers, air or onto land? \_\_\_\_ yes X no (Settled without going to court)

If yes, give details: \_\_\_\_\_

- B) Please describe any pollution claims during the last 5 years (if none, please so state): None

- C) At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy?

\_\_\_\_ yes X no

If yes, give details: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\* NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Bochr Mining Corp. *type*  
By: D. J. Cooper (Title) 9-2-92  
*ice-President, Secretary*  
Agent/Broker: Marsh, Williams, Inc. *type*  
Address: 1700 Lincoln, Suite 4900 Denver CO 80203

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123

RECEIVED  
AUG 12 1993

August 11, 1993

MARSH &  
MCLENNAN

Mr. J.C. Sowers  
MINVEN GOLD CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: OUTSTANDING ITEMS

Dear J.C.:

While in the process of reviewing your files, we have found several items which are outstanding.

1. Policy No. 8127-3968  
Crime  
Expiration: September 20, 1993

On August 2, 1993, we faxed an application which needed to be completed to obtain renewal terms. I have included another copy of the application. Please forward this to our office as soon as possible.

2. On May 5, 1993, Karma wrote to you regarding a list of engineering recommendations that were sent to Myron Anderson at Gilt Edge Mine. It is very important that these recommendations be complied with. They are sound, preventative maintenance procedures that would certainly hinder spills. The underwriter had requested a written response from Myron by April 29, verifying compliance and or procedures implemented to complete the recommendation. Please advise if the recommendations have been complied with.

Thank you for your assistance with these matters, and if there are any questions, please do not hesitate to contact our office.

Sincerely,



Cherice M. Morgan  
Client Representative

CMM/ci  
Enclosure

cc: Karma Dingman - MMI, Denver

gone

**ECS**  
Underwriting,  
Inc.

**RE: RECOMMENDATION COMPLIANCE - SECOND REQUEST**

Attached for your review please find the engineering recommendations developed by our risk assessment firm during their last visit to your facility.

We greatly appreciate your cooperation and trust we will receive a formal response to the recommendations by May 30, 1993. Please send all responses directly to ECS to the attention of Nicole Smith.

**Brian Lynch**  
**Underwriter**

**Enclosure**

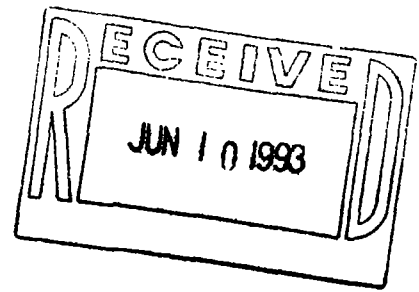
Mr. Jim Price  
Marsh & McLennan, Inc.  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

**Summary of CSI Recommendations  
for  
MinVen Gold Corp./Brohm Mining Corp.  
Gilt Edge Mine  
Deadwood, South Dakota**

- 92-11-1    It is recommended that Brohm Mining periodically update the ECS Pollution Underwriter of the status of the NPDES permit application and the associated court case. Copies of pertinent correspondence between MinVen/Brohm and the regulatory agencies should also be forwarded to the ECS Pollution Underwriter. (as applicable)
- 92-11-2    It is recommended that inspections and integrity testing be performed on the aboveground tanks operated by Brohm on a scheduled bases. Inspections and testing should include at a minimum, periodically performed visual inspections of the external shell and secondary containment to identify cracks or signs of deterioration. The records of the inspections should be kept on site for documentation, and copies should be submitted to the ECS underwriter. (as applicable).
- 92-11-3    It is recommended that Brohm develop a formal inventory tracking system for laboratory wastes. Additionally, the storage areas for drummed laboratory waste should be provided with secondary containment and cover from the elements. The storage of laboratory waste should not be stored on site for extended periods of time prior to shipment off site for disposal. (92-11-3)

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123



June 8, 1993

MARSH &  
MCLENNAN

Mr. J.C. Sowers  
MINVEN GOLD CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: RENEWAL EFFECTIVE: SEPTEMBER 29, 1992  
POLLUTION LIABILITY POLICY NO.: NTA2509593  
FIRST PARTY POLLUTION CLEAN UP POLICY NO.: NTD2509514

Dear J.C.:

Attached is our Renewal Questionnaire on the above insurance coverages. We have listed your current limits and exposures under the 1992/1993 column. Please review the information and fill in your updated changes under the 1993/1994 renewal column.

J.C., we also need to have the renewal application completed for the Pollution Clean Up coverage. This application is attached. In addition to the application, we will also need updated financial information.

Please return this information to me by July 21, 1993 so that I can secure quotes from the insurance carrier. Thank you for your immediate attention to this matter, and if there are any questions, or if additional information is needed, please do not hesitate to contact our office.

Sincerely,

Cherice M. Morgan  
Client Representative

CMM/ci

Enclosure

cc: Karma Dingman - MMI, Denver

To: JC Soiers	From: Lance H.
Co. Minven	Co. Brohm
Dept.	Phone #
Fax #	Fax #



May 14, 1993

Mr. Bryon Lynch  
ECS Underwriting Inc.  
520 Eagleview Blvd.  
Exton, PA 19341

Dear Mr. Lynch:

First, I want to thank you for the thirty day extension of your request for information. I do apologize for letting this issue fall through the cracks, so to speak.

The following is an issue by issue response to these topics we discussed during our phone conversation of May 10, 1993.

**92-11-1** While Brohm would like to keep ECS updated with the EPA NPDES/citizens lawsuit controversy, much of the correspondence is client-attorney privileged material. The sheer bulk of this correspondence would also be a matter of concern. If the ECS underwriter has specific questions, Brohm will make every attempt to answer when possible. As a brief update, the "DRAFT" NPDES permits are out for public review/comment. This comment period will end on May 28, 1993. The EPA will then address the various comments and issue a final NPDES permit(s). Brohm has met the target dates specified in the EPA Interim Compliance Order.

**92-11-2** The inspections requested by ECS have been performed on a quarterly basis since mid 1988. The inspections cover all areas of the process facility in which chemicals and reagents are stored or used. At the ECS underwriters request, Brohm will include the petroleum products storage facility in this inspection routine. Previously, this area was inspected by the mining contractor who has now left the mine site. The petroleum products are in double containment.

Brohm Mining Corp.

Page 2

May 14, 1993

92-11-3 All liquid laboratory wastes are returned to the process surge pond (triple-lined). For a period of time, certain laboratory wastes (centrifuge tubes) were not disposed or recycled. These wastes are stored in sealed heavy plastic drum liners inside sealed drums. As the work load lightened up in the laboratory, there has been time available to clean and reuse the centrifuge tubes. At the present time, there are no plans for disposal of these wastes.

I hope that this answers any questions you may have had. If not, please call me at 605/578-2107.

Thank you,

BROHM MINING CORP.

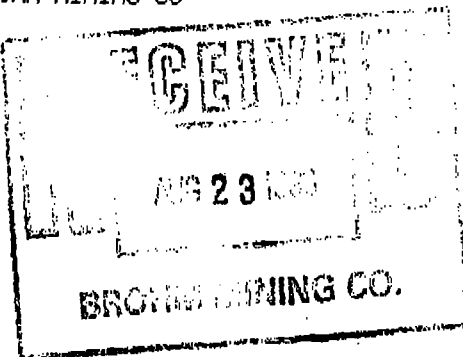
  
Lance J. Hubbard  
Interim Environmental Mgr.

LH:sm

cc Rod MacLeod

JC Sowers

ENVN09.LH


**DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES**

JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE SOUTH DAKOTA 57501-3181

20 August 1993

Rod MacLeod, General Superintendent  
Brohm Mining Corp.  
P.O. Box 485  
Deadwood, South Dakota 57732

Post-It™ brand fax transmittal memo 7671		# of pages > 2
To: J.C. + Robby	From: Rod	
Co: MINVEN	Co: BMC	
Dept.	Phone #	605 578 2107
Fax: (303) 578 1012	Fax #	605 578 1709

Re: 1993 Financial Assurance Update for the Gilt Edge Mine

Dear Mr. MacLeod:

On May 21, 1992 the Board of Minerals and Environment in accordance with SDCL 45-6B-20.1 set a financial assurance amount of \$286,000 for the Gilt Edge Mine. On January 20, 1993 the Board accepted corporate surety no. NTD2509514 in the amount of \$286,000 (less \$50,000 deductible) with Planet Insurance Company, and a certificate of deposit no. 0261 in the amount of \$50,000 with First Western Bank, Deadwood, as financial assurance for the Gilt Edge Mine. The corporate surety will expired on September 29, 1993.

In order to comply with financial assurance requirements, Brohm Mining will need to submit to this Department a new corporate surety or another type of bonding mechanism acceptable to the Board. Please notify this office if you are considering another type of financial assurance and we can discuss any special requirements.

The Department has also recalculated the financial assurance amount to account for inflation based on the construction cost index (CCI). At the time the original amount was calculated the CCI was 4883.70. The CCI on August 16, 1993 was 5229.94 which represents an increase of approximately seven per cent (7%). The financial assurance would increase to \$306,000.

The Department would like to bring this financial assurance matter before the Board at their next meeting on September 15 and 16, 1993 in Pierre. Please submit the \$306,000 financial assurance before September 15. At this time we plan on handling this financial assurance item with the other routine mining issues. No special hearing is planned.

If you have any questions regarding this matter, please feel free to contact our Office.

Sincerely,

*Michael Cepak*

Michael Cepak  
Natural Resources Engineer  
Office of Minerals and Mining

Mike Cepak  
SoDak DENR  
(605) 773-4201

Karma -

Can we extend the  
on-site coverage to  
coincide w/ the expiration  
of the 3rd party policy

1/18/94

# MINVEN GOLD CORPORATION

August 31, 1993

Mr. Mike Cepak  
State of South Dakota Department of  
Environment and Natural Resources  
523 East Capitol  
Pierre, SD 57501-3181

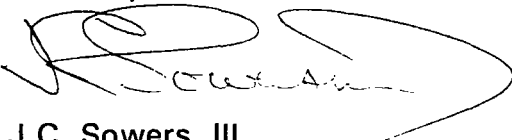
Re: Financial Assurance Bond  
Brohm Mining Corporation

Dear Mr. Cepak:

Enclosed is a copy of a certificate of insurance issued by Planet Insurance Company naming DENR as an additional insured for \$306,000 per claim on the "First Party" policy. You should have already received the original certificate in the mail. We asked the insurance company to extend the policy to 1/18/94 to coincide with the expiration of the "Third Party" coverage.

I trust the will fulfill the requirements you had for us in preparation of the September 15, 1993 board meeting. If you need anything else, please contact either myself or Rod MacLeod.

Sincerely,



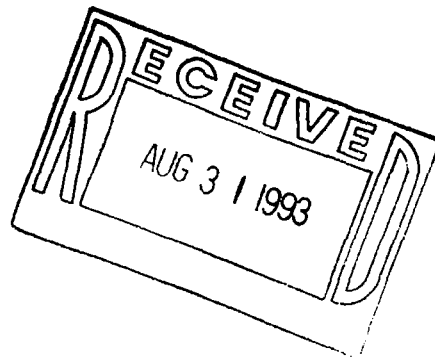
J.C. Sowers, III  
Treasurer

Enc.

cc: Rod MacLeod  
Martin Quick

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123



MARSH &  
MCLENNAN

August 27, 1993

Mr. J.C. Sowers III  
MINVEN GOLD CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: POLLUTION LIABILITY  
POLICY NO.: NTD2509514

Dear J.C.:

This letter shall confirm that the above referenced policy has been extended effective September 29, 1993, to expire January 18, 1994. The new limit of liability of \$306,000 is effective September 29, 1993. An endorsement will be issued and forwarded to you upon receipt in our office.

The additional premium for the extension is \$15,200, and an invoice will be forwarded to you directly from ECS.

If there are any questions, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in cursive script that reads "Cherice M. Morgan".

Cherice M. Morgan  
Client Representative

CMM/ci

Enclosure

cc: Karma Dingman - MMI, Denver

# ABORD CERTIFICATE OF INSURANCE

ISSUE DATE 8/27/93

8/27/93

PRODUCER

Marsh & McLennan, Inc.  
1700 Lincoln Street  
Suite 4900  
Denver, Colorado 80203-4549

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

## COMPANIES AFFORDING COVERAGE

COMPANY LETTER A	Planet Insurance Company
COMPANY LETTER B	
COMPANY LETTER C	
COMPANY LETTER D	
COMPANY LETTER E	

INSURED

BROHM MINING CORPORATION  
P. O. Box 485  
Deadwood, South Dakota 57732

**COPY**

## COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b>				
<input type="checkbox"/>	COMPREHENSIVE FORM				BODILY INJURY OCC. \$
<input type="checkbox"/>	PREMISES/OPERATIONS				BODILY INJURY AGG. \$
<input type="checkbox"/>	UNDERGROUND EXPLOSION & COLLAPSE HAZARD				PROPERTY DAMAGE OCC. \$
<input type="checkbox"/>	PRODUCTS/COMPLETED OPER.				PROPERTY DAMAGE AGG. \$
<input type="checkbox"/>	CONTRACTUAL				BI & PD COMBINED OCC. \$
<input type="checkbox"/>	INDEPENDENT CONTRACTORS				BI & PD COMBINED AGG. \$
<input type="checkbox"/>	BROAD FORM PROPERTY DAMAGE				PERSONAL INJURY AGG. \$
<input type="checkbox"/>	PERSONAL INJURY				
	<b>AUTOMOBILE LIABILITY</b>				
<input type="checkbox"/>	ANY AUTO				BODILY INJURY (Per person) \$
<input type="checkbox"/>	ALL OWNED AUTOS ( Priv. Pass. )				BODILY INJURY (Per accident) \$
<input type="checkbox"/>	ALL OWNED AUTOS ( Other Than Priv. Pass. )				PROPERTY DAMAGE \$
<input type="checkbox"/>	HIRED AUTOS				BODILY INJURY & PROPERTY DAMAGE COMBINED \$
<input type="checkbox"/>	NON-OWNED AUTOS				
<input type="checkbox"/>	GARAGE LIABILITY				
	<b>EXCESS LIABILITY</b>				
<input type="checkbox"/>	UMBRELLA FORM				EACH OCCURRENCE \$
<input type="checkbox"/>	OTHER THAN UMBRELLA FORM				AGGREGATE \$
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>				
					STATUTORY LIMITS
					EACH ACCIDENT \$
					DISEASE—POLICY LIMIT \$
					DISEASE—EACH EMPLOYEE \$
A	OTHER FIRST PARTY CLAIMS MADE	NTD2509514	9/29/93	1/18/94	\$306,000 Per Claim
	POLLUTION CLEANUP	Retro Date 9/29/92			\$306,000 Total All Claims
	DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS				\$50,000 SIR

Certificate Holder is named as an additional insured.

## CERTIFICATE HOLDER

State of South Dakota  
Department of Environment and Natural Resources  
523 East Capital  
Pierre, South Dakota 57501-3181

## CANCELLATION

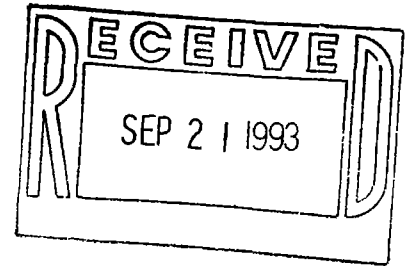
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Cherice Morgan*

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123



September 20, 1993

MARSH &  
MCLENNAN

Mr. J.C. Sowers  
MINVEN GOLD CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: FIRST PARTY POLLUTION CLEAN UP  
POLICY NO.: NTD2509514

Dear J.C.:

Enclosed is Endorsement #5 which extends the policy to expire on January 18, 1994. The additional premium for this Policy Extension is \$15,200. In my letter of August 27, 1993, I advised that the invoice for the additional premium would be forwarded directly to you from ECS. This is incorrect. Our invoice for the additional premium of \$15,200 is enclosed and should be remitted directly to our San Francisco office by the 4th of October.

Also enclosed is Endorsement #6 which amends the limit of liability to \$306,000 as required by the state of South Dakota.

Please incorporate these endorsements into your files as they now form part of the policy. If there are any questions, please do not hesitate to contact our office.

Sincerely,

A handwritten signature in cursive script that reads "Cherice M. Morgan".

Cherice M. Morgan  
Client Representative

CMM/ci

Enclosure

cc: Karma Dingman - MMI, Denver

**ENDORSEMENT #5**

This endorsement, effective 12:01 a.m. August 30, 1993 forms a part of Policy #NTD2509514 issued to MINVEN GOLD CORPORATION/BROHM MINING CORPORATION by Planet Insurance Company.

In consideration of an additional premium of \$15,200 it is hereby agreed upon that Item 2: POLICY PERIOD is amended to read the following:

FROM September 29, 1992 to January 18, 1994 12:01 a.m. standard time at the address of the NAMED INSURED shown above.

All other terms and conditions remain the same.



---

(Authorized Representative)

**ENDORSEMENT #6**

This endorsement, effective 12:01 a.m. September 1, 1993 forms a part of Policy #NTD2509514 issued to MINVEN GOLD CORPORATION/BROHM MINING CORPORATION by Planet Insurance Company.

It is hereby agreed upon that Item 3: LIMIT OF LIABILITY, on the policy declarations page is deleted in its entirety and replaced with the following:

Item 3: LIMIT OF LIABILITY, up to \$306,000 each LOSS

\$306,000 Total for all LOSSES

All other terms and conditions remain the same.



\_\_\_\_\_  
(Authorized Representative)

**MARSH &  
MCLENNAN**

One Norwest Center  
1700 Lincoln Street Suite 4900  
Denver, CO 80203-4549

(303) 861-7111

Invoice No.

120437

CM

**Invoice**

Date: 9/16/93

J.C. Sowers  
MinVen Gold Corporation  
MinVen Gold (USA) Inc.  
7596 West Jewell, Suite 305  
Lakewood, CO 80226

*BROHM*

- S/B in SAN FRAN BT 10/4/93  
Extension of FIN ASSUR Bond coverage

Effective Date	Expiration Date	Client No
9/29/93	1/18/94	400466

Policyholder: MINVEN

ORIGINAL Effective: 9/29/93

Insurer	Policy No.	Type of Coverage/Item	Amount
PLANET INS CO	NTD 2509514	MISC CASUALTY PREMIUM	15,200.00
INVOICE TOTAL:			15,200.00
REMIT IN: UNITED STATES DOLLARS			
Policy Extension 9/29/93 - 1/18/94			
RETURN ATTACHED COPY WITH REMITTANCE TO:			
Marsh & McLennan Incorporated Premium Trust Account P.O. Box 44078 San Francisco, CA 94144-4078			

Invoice Is Payable In Full Upon Receipt

RETURN ATTACHED COPY WITH YOUR REMITTANCE

8/20 306,000  
50K CD

Will send most recent spill contingency  
plan for attachment V.

New attach 6 - air monit  
" " 7 - surf water  
" " 8 - ground water data

Mike Cepal wants to have  
by 11/18/94 - B/4 meeting on 1/20

Patty (605)  
Brookner 773-4201

If we can't meet deadline.



Snap  
off

CARBONLESS  
FORM 3801

NO  
CARBON  
REQUIRED

**RAPID LETTER**

NOTE: Send White and Pink copies.  
Sender retains Canary copy.  
TRIPLICATE

TO

J.C.  
DMC

Date Shay 1/4/94

SUBJECT

"Pollution" Insurance Info.

MESSAGE

Attachment ~~V~~ (SCP) has not <sup>DATE</sup> changed from the copy you have. New Attachment ~~VI~~ is enclosed. New attachment ~~IV~~ is also closed. I suggested an attachment ~~III~~ on groundwater, however it is already combined with the enclosed ~~III~~. If you have any questions, please call.

SIGNED

DATE

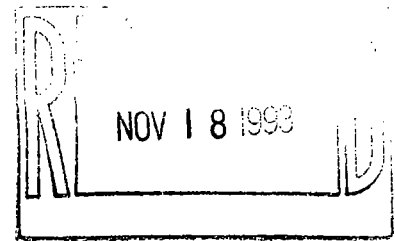
REPLY

Lance & Bob Marquiss were certified EMT's. Their certification has expired.

SIGNED

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123



November 17, 1993

MARSH &  
MCLENNAN

Mr. J.C. Sowers, III  
DAKOTA MINING CORPORATION  
410 17th Street, Suite 2450  
Denver, Colorado 80202

RE: RENEWAL INFORMATION  
POLLUTION CLEANUP POLICY NO. NTD2509514  
POLLUTION LIABILITY POLICY NO. NTA2509593

Dear J.C.:

The Pollution coverages expire January 18, 1994. Per our previous conversations, you have indicated that these coverages may not need to be renewed. If there is no need for the coverages, please advise our office immediately. However, if continued coverage is required from January 18, 1994, we will need the following information:

- Completion of the enclosed applications:
  - Application for Pollution Cleanup Coverage
  - Application for Pollution Legal Liability
- Updated Financials for the past year.

Please complete the applications and forward the requested information to our office by December 5, 1993 so that we may obtain renewal terms.

If there are any questions, please do not hesitate to contact our office.

Sincerely,

Cherice M. Morgan  
Client Representative

CMM/fh

Enclosures

cc: Karma Dingman - MMI, Denver

3122

**PLANET INSURANCE COMPANY**  
**MADISON, WISCONSIN**

**APPLICATION FOR POLLUTION LEGAL LIABILITY INSURANCE**  
(Include 10K report, annual report, and flow chart of process if available.)

THIS IS AN APPLICATION FOR A **CLAIMS MADE POLICY**

1. NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

Brohm Mining Corporation

CONTACT NAME: DALE Shay TITLE: Director of Environmental Affairs

EPA IDENTIFICATION NUMBER(S): N/A

POST OFFICE ADDRESS: P.O. Box 485, DEADWOOD, S.D. 57732

TELEPHONE: (605) 578-2107

LOCATIONS TO BE COVERED: GILT Edge mine

2. NAMED INSURED IS:  
\_\_\_\_ Partnership ☒ Corporation \_\_\_\_ Joint Venture \_\_\_\_ Other \_\_\_\_

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Since 1987

4. SALES:

A) ESTIMATED (Ensuing Year): 9,000 Ounces of Gold

B) LAST 5 YEARS: 19 92 19 91 19 90 19 89 19 88  
Ounces of gold 26,838 30,302 33,133 17,160 6,660

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

Open pit heap leach gold and silver mine started in 1987. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

6. DESCRIBE THE FACILITY OPERATIONS, INCLUDING MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (ATTACH A SITE DIAGRAM OUTLINING BUILDINGS, STORAGE AREAS, TANKS, ETC.):

No waste treatment or disposal activities are applicable

7. PLEASE LIST: A. RAW MATERIALS USED AT LOCATION N/A  
B. PROCESS MATERIALS USED AT LOCATION:

(Plating agents, degreasers, heat treating agents, cleaning solvents, etc.)  
(Please use additional sheet if space provided is insufficient.)

DESCRIPTION	QUANTITY OF MATERIAL			METHOD OF STORAGE	
	PER YEAR	ANY ONE TIME	DRUM	UNDERGROUND TANK	ABOVEGROUND TANK
<u>B - See List Attached</u>	<u>Attached</u>				

8. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSENERD OR INCREASED) THE RISK OF POLLUTION LIABILITY? YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

9. DO YOU HAVE AN ENVIRONMENTAL SAFETY COMMITTEE OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL? X YES NO

IF SO, DESCRIBE THEIR DUTIES AND TO WHOM THEY REPORT: The Director of Environmental Affairs  
and his assistant report to the General Superintendent who has overall site  
responsibility for production, administrative and environmental matters.

10. ARE THERE ANY STATUTES, STANDARDS, OR OTHER CITY, STATE AND FEDERAL REGULATIONS RELATING TO THE PROTECTION OF THE ENVIRONMENT WHICH APPLY TO ANY LOCATION WITH WHICH YOU CANNOT AT PRESENT COMPLY? YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

11. EFFLUENT TREATMENT AND DISCHARGE:

COMPOSITION	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS	QTY/YR
	<u>N/A</u>			

12. SEMI-SOLID AND SOLID WASTE DISPOSAL:

A. ON-SITE DISPOSAL (LANDFILL, SURFACE IMPOUNDMENT, DEEPWELL INJECTION, ETC.)

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
<u>N/A</u>			

### B. OFF-SITE DISPOSAL

<u>COMPOSITION</u>	<u>ON-SITE STORAGE METHOD</u>	<u>LENGTH OF STORAGE</u>	<u>QTY/YR</u>	<u>DISPOSAL FACILITY</u>
N/A				

1                      2                      3

N/A

STATE ID #

NATURE:

COMPOSITION:

N/A

N/A

N/A

N/A

N/A

**N/A**

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS:

N/A

A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE COVERED:

Blackhills National Forest and Associated Forest Plant Community

3. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES:

Homestake Mining Company (the oldest gold mine in North America) is located approximately 3 miles to the North West.

16. ADDITIONAL INFORMATION:

- A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.
- B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS. TYPE OF INVENTORY CONTROL. TESTING METHODS. (See previously submitted information)

17. RECORD:

- A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR INTO LAND? \_\_\_\_ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

- B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

None

- C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY? \_\_\_\_ YES ☒ NO

IF SO, GIVE DETAILS: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corporation

By: JC Sower (Title) Date: January 11, 1998

Agent/Broker: Mitchell & Moleman Inc. } type in

Address: 1700 Lincoln Suite 4900 Denver CO 80203

IF AN ORDER IS RECEIVED, THE APPLICATION IS ATTACHED TO THE POLICY SO IT IS NECESSARY THAT ALL QUESTIONS BE ANSWERED IN DETAIL.

PLANET INSURANCE COMPANY

Sun Prairie, Wisconsin

APPLICATION FOR POLLUTION CLEAN-UP COVERAGE

(Include 10K report, annual report, and flow chart of process if available.)

This is an application for a CLAIMS MADE Policy

POLICY YEAR  
9/29/93-94

1) NAMED INSURED: (Include All Subsidiary Companies to be Covered) \_\_\_\_\_

Brohm Mining Corporation

EPA IDENTIFICATION NUMBER(S): DNA Does not apply N/A

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, S.D. 57732

LOCATIONS TO BE COVERED: Gilt Edge Mine

2) NAMED INSURED IS:

\_\_\_\_ Partnership ☒ Corporation \_\_\_\_ Joint Venture \_\_\_\_ Other \_\_\_\_

3) HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Since 1987

4) SALES:

A) ESTIMATED (Ensuing Year): 9,000 Ounces of Gold

B) LAST 5 YEARS: 19 92 19 91 19 90 19 89 19 88  
Ounces of gold 26,838 30,302 33,133 17,160 6,660

5) COMPANY PROFILE AND ENVIRONMENTAL AFFAIRS MANAGEMENT

- A) Outline the site history including any previous uses of the site and by whom: Open pit heap leach gold and silver mine. Start up in 1987.

Gold and silver recovery by Merrill-Crowe system. Historic underground  
mining and associated milling occurred from late 1800's to late 1930's.

- B) Briefly describe the operations conducted at the facility, including raw materials and by-products: Ore/waste rock is produced from mine by surface  
mining method. Waste rock is delivered to modified valley-fill repository.  
Ore is crushed to 1" size and carried to triple-lined (clay, fml,fml) leach  
pad. A diluted cyanide solution is applied to ore. Dilute cyanide solution  
is piped to plant whee gold/silver is recovered.

- C) Give details on any claims or lawsuits against the company, including outcome when applicable: The Technical Information Project of Rapid City, S.D.  
filed suit against Brohm in 1992 over a traditional NPDES permit. The suit  
was settled in August 1993 wherein Brohm agreed to pay TIP \$25,000 to cover  
its legal costs.

- D) Describe the Management Organization and identify those managers with environmental responsibility (attach organization chart if available):  
See attached organizational chart

E) Briefly describe any employee training classes held: Employees trained in accordance with 30CFR part 48. Additional training on an "as needed" basis conducted. Separate and unique one time training by vendors (DuPont, DeGussa, etc.)

F) Describe the company's interaction with local, state, and federal authorities: Company official is member of the County LEPC which has recently updated its emergency planning in accordance with "Sarah Title III". Company reports regularly to the County Planning and Zoning administration. Company officials work closely with South Dakota DENR on nearly a daily basis. Other than MSHA, company dealings with Federal agencies is on a sporadic basis.

*EPA thru NPDES & USFS thru Permits*  
*also work with the EPA thru NPDES and the U.S. Forest Service on permit applications*  
6) OVERALL FACILITY OPERATIONS

A) Provide a description of the site, including adjacent properties and target populations (attach site plan) See attached site plan. Attachment III

B) Identify nearby water sources, both surface and groundwater: \_\_\_\_\_  
See attached site plan. Attachment III.

C) Are there any protected environments in the area (parks, wildlife preserves, etc.)?    yes   X   no

If yes, please describe: \_\_\_\_\_

D) Briefly describe the geology and hydrogeology of the area: \_\_\_\_\_

See Attachment (III)

E/B #2

E) Identify any surface or groundwater uses in the area (drinking wells, etc.):

No domestic or commercial uses within 1 mile of property boundaries.

F) Is public water and sewer available? \_\_\_\_ yes ☒ no

G) Outline the security measures at the facility, describe the facility access points, security system, posted areas: Facility is accessed via private access road through main gate located at Administration building operated by remote controllers. Access to property is through ancillary routes controlled by fences/locked gates. Ancillary access is primarily by abandoned logging trails. Facility product is under constant video, IR and motion detector type electronic surveillance. Security system is monitored at a remote central monitoring location.

H) List the safety programs presently in place: Employee training is in compliance with 30CFR part 48, additional training on "as-needed" basis supplied in-house or by applicable vendors i.e. DuPont, DeGussa, etc. An employee safety incentive program is in place but is currently inactive.

I) Describe the fire safety systems in place: Portable fire extinguishers are located throughout facility as per regulatory requirements. Plant has dedicated fire-fighting system (standardized hoses, fittings and piping compatible with local fire department(s)). Also in place are dedicated fire suppression pumps, back up electrical system and 60,000 gallon water storage, in accordance with local zoning ordinances and NFPA recommendations.

J) Outline the emergency procedures used at the facility: A spill contingency plan is in place updated yearly, facility personnel involved in LEPC. South Dakota Mining Association sponsors a Technical Advisory Committee. Several employees have EMT status.

Who? Lance maybe?

are disposed of acc to RCRA standards

7) SOLID AND HAZARDOUS WASTE MANAGEMENT

A) Outline the sources of solid and hazardous waste: All liquid laboratory wastes are returned to the process surge pond (triple-lined). For a period of time, certain laboratory wastes (Centrifuge tubes) were not disposed or recycled. These wastes are stored in sealed heavy plastic drum liners inside sealed drums. As the work load lightened up in the laboratory, there has been time available to clean and reuse the centrifuge tubes. At the present time, there are no plans for disposal of these wastes. however should disposal be req'd, RCRA standard would be followed.

B) Describe the storage practices used: See A) above.

C) Describe the disposal methods used: \_\_\_\_\_

D) Is there a manifest system in place (include a recent copy)? \_\_\_\_ yes X no

E) Identify any past storage or disposal practices at the site, including any inactive disposal areas: N/A

F) Is there a wastewater treatment unit on site? \_\_\_\_ yes X no

If yes, identify:

1) What type of treatment? \_\_\_\_\_

2) Quantity per year \_\_\_\_\_

3) Discharge points for treated wastewater \_\_\_\_\_



B) Tank Storage: See Attachment I & V

<u>Tank No.</u>	<u>Material</u>	<u>Capacity</u>	<u>Age</u>	<u>A/G or U/G</u>	<u>Diked</u>
	Hydrogen	8,000 gal.			
1 & 2	Peroxide	10,000 gal.	3 yrs.	A/G	No
3 & 4	Liquid Propane	10-12,000 gal.	(unknown)	A/G	No
	Diesel	10,000 gal.	(unknown)	A/G	Yes
	Gasoline	1,000 gal.	(unknown)	A/G	Yes
	Carbon Dioxide	8,000 gal.	(unknown)	A/G	No

C) Have any underground tanks or underground piping ever been present at the site? ☒ yes ☒ no Pipes

If yes, please explain: Between process plant & surge pond and buried water & gas lines, septic tanks

D) Is a spill plan approved and on file (attach copy)? ☒ yes ☐ no

9) OTHER CONCERNS

(See Attachment V)

A) Is there any asbestos located anywhere on the site? ☐ yes ☒ no

If yes, identify: \_\_\_\_\_

B) Is there any PCB contaminated material anywhere on the site? ☐ yes ☒ no

If yes, identify: \_\_\_\_\_

10) ADDITIONAL INFORMATION

A) Please attach the latest monitoring results for facility effluent discharges, air emissions, landfills, or surface impoundments, including any groundwater data available. See Attachments VI, & VII, & VIII

B) Please attach a schedule of all storage tanks including the following information: capacity, age, above or below ground, spill containment methods, contents, steel or fiberglass, type of inventory control, testing methods.

See Attachment I

Need updates from Dale

11) RECORD

- A) Have you during the last 5 years been prosecuted for contravention of any standard or law relating to the release from the location of a substance into sewers, rivers, air or onto land? \_\_\_\_ yes ☒ no (Settled without going to court)

If yes, give details: \_\_\_\_\_

- B) Please describe any pollution claims during the last 5 years (if none, please so state): None

- C) At the time of signing this application, are you aware of any circumstances which may reasonably be expected to give rise to a claim under the policy?

\_\_\_\_ yes ☒ no

If yes, give details: \_\_\_\_\_

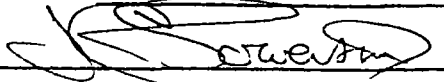
THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\* NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corp.

By:  TREASURER  
(Title) Date: AUGUST 24, 1993

Agent/Broker: Marsh McLennan, Inc.

Address: 1700 Lincoln, Suite 4900 Denver, CO 80203

If an order is received, the application is attached to the policy so it is necessary that all questions be answered in full.

*Denver & Mine should  
both have a complete  
set of attachments.*

MARVIN D. TRUHE

LAW OFFICES

FIRST FEDERAL PLAZA - 5TH FLOOR

P.O. BOX 8106

RAPID CITY, SOUTH DAKOTA 57709

TELEPHONE (605) 342-2800

MARVIN D. TRUHE  
DALE R. COCKRELL

TELECOPIER  
(605) 342-2801

January 5, 1993

Ms. Roxanne Giedd  
Assistant Attorney General  
Office of the Attorney General  
Capitol Building  
500 E. Capitol Avenue  
Pierre, SD 57501

TELECOPIED

Re: Brohm Mining Corp. Financial Assurance for  
Environmental Cleanup

Dear Roxanne:

Thank you for agreeing to meet with us tomorrow at 3:00 p.m. in your office regarding the above-referenced matter. In reviewing your December 7, 1992 letter, there was one issue that I wanted to give you my thoughts on before the meeting. It relates to the question of whether there will be coverage for "intentional" acts.

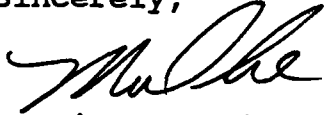
Since I was aware that an environmental insurance policy would not insure against an intentional act of pollution, I visited with the broker for the insurance carrier to discuss the distinction between an intentional act of pollution (which is not insurable) and an intentional refusal by the insured (Brohm) to clean up after an accidental spill. They did understand the distinction and said that they believed that the insurance carrier would insure against the latter. I explained that my understanding of the legislation was that it had to cover the circumstances under which a company refused to clean up an accidental spill, whether due to financial inability or otherwise. This is also consistent with my reading of SDCL 45-6B-20.1 which obligates a company to provide financial assurance for "accidental releases".

This issue, as well as some of the other issues you raise, may require clarifying language in the policy, but hopefully we can address each of the issues to your satisfaction. It does not appear that any of the representatives of the insurance carrier

Ms. Roxanne Giedd  
Page 2  
January 5, 1993

will be able to come to Pierre tomorrow, but Martin Quick and I will look forward to meeting with you and Mike Cepak as planned. Thank you again for arranging this meeting on such short notice.

Sincerely,

A handwritten signature in cursive script, appearing to read 'M. Truhe'.

Marvin D. Truhe

MDT:nlb

cc: Mr. Martin Quick

→ MQ  
Martin - this has not  
been furnished by Brohm  
As it is critical to continue  
our financial assurance  
bond coverage, could you  
please make sure it gets  
done? Thx Jc  
May 5, 1993

Marsh & McLennan, Incorporated  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, Colorado 80203-4549  
Telephone 303 861 7111

FAX 303 861 8123



MARSH &  
MCLENNAN

Rod

Please confirm  
that this matter  
has now been handled  
& responded to.

mt

5/17/93

Mr. J.C. Sowers  
MINVEN GOLD CORPORATION  
410 17th Street, Suite 2450  
Denver, Colorado 80202

RE: LOSS CONTROL RECOMMENDATIONS  
POLICY NO. NTD2509514

Dear J.C.:

Per my call to you this morning, attached is a list of engineering recommendations that were sent to Myron Anderson at the Gilt Edge Mine.

Please contact Myron and stress the importance of complying with these recommendations. These are sound, preventative maintenance procedures, and would certainly hinder spills. The underwriter wanted a written response from Myron by April 29th, verifying compliance and/or procedures implemented to complete the recommendation. We will ask for an extension to this date.

I am also attaching a copy of the letter from the underwriting company, clarifying coverage, and Exclusion #12. I would not want the lack of compliance of these recommendations to fall under Exclusion #12, thereby, voiding coverage.

Please let me know if you have any questions on the recommendation procedures.

Sincerely,

*Karma Dingman*

Karma Dingman  
Assistant Vice President

KD/th

Enclosures

Post-It™ brand fax transmittal memo 7671		# of pages > 4
To <i>Rod MacLean</i>	From <i>Martin Quick</i>	
Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

March 29, 1993

Mr. Myron Anderson  
Minven Gold Corporation/Gilt Edge Mine  
P.O. Box 485  
Deadwood, SD 57732

**ECS**  
Underwriting,  
Inc.

520 Eagleview Boulevard  
Exton, PA 19341  
(215) 458-0570  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 458-8667

RE: RECOMMENDATION COMPLIANCE

Dear Mr. Anderson:

Attached for your review please find the engineering recommendations developed by our risk assessment firm during their last visit to your facility.

Your compliance with such recommendations is a key factor in determining the on-going insurability of risks.

We greatly appreciate your cooperation and trust we will receive a formal response to the recommendations by April 29, 1993. Please send all responses directly to ECS to the attention of Nicole Smith.

Sincerely,

Brian Lynch  
Underwriter

BL/dj

Enclosure

cc: Nicole Smith

Mr. Jim Price  
Marsh & McLennan, Inc.  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

Summary of CSI Recommendations  
for  
MinVen Gold Corp./Brohm Mining Corp.  
Gilt Edge Mine  
Deadwood, South Dakota

- 92-11-1 It is recommended that Brohm Mining periodically update the ECS Pollution Underwriter of the status of the NPDES permit application and the associated court case. Copies of pertinent correspondence between MinVen/Brohm and the regulatory agencies should also be forwarded to the ECS Pollution Underwriter. (as applicable)
- 92-11-2 It is recommended that inspections and integrity testing be performed on the aboveground tanks operated by Brohm on a scheduled bases. Inspections and testing should include at a minimum, periodically performed visual inspections of the external shell and secondary containment to identify cracks or signs of deterioration. The records of the inspections should be kept on site for documentation, and copies should be submitted to the ECS underwriter. (as applicable).
- 92-11-3 It is recommended that Brohm develop a formal inventory tracking system for laboratory wastes. Additionally, the storage areas for drummed laboratory waste should be provided with secondary containment and cover from the elements. The storage of laboratory waste should not be stored on site for extended periods of time prior to shipment off site for disposal. (92-11-3)

January 19, 1993

Ms. Jenny Hill  
Marsh & McLennan, Inc.  
One Norwest Center  
1700 Lincoln Street, Suite 4900  
Denver, CO 80203-4549

RE: Minven Gold Corp./Brohm Mining Corp.  
Policy #NTD2509514

Dear Jenny:

This letter is to follow-up our conference call with Roxanne Giedd, Marvin Trube and Martin Quick.

During the course of our conversation, some concern was raised concerning the applicability of Exclusion No. 12 of the Pollution Clean-up policy. Please note that this policy is designed to provide coverage for on-site cleanup of pollution conditions as directed by a governmental action. This would include any CLAIM against the Named Insured requiring cleanup of an onsite property even if the Named Insured was no longer solvent (ie. in bankruptcy) or failed to conduct the onsite cleanup.

However, through the application of Exclusion no. 12, this policy does not provide coverage for the Named Insured's intentional, willful, or deliberate non-compliance that leads to a pollution condition. The most typical scenario where this exclusion comes into play is the known and intentional illegal disposal of waste on-site by the site operator. Also, excluded under this item is damage caused by disgruntled employees. In both cases, ECS cannot be held accountable for the individual, deliberate and illegal acts of employees.

I hope this has adequately addressed your concerns. If you should have any further questions, please contact me.

Sincerely,

*Brian Lynch* (NS)

Brian Lynch  
Underwriter

BL/ns

cc: Paul Murdoch  
Scott Britt  
Steve Goebner

ECS  
Underwriting  
Inc.

One East U'wchlan Avenue  
Suite 300  
Exton, Pennsylvania 19341  
(215) 269-6731  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 524-5354

January 31, 1994

MC  
Ms. Nilsa Cabrera  
Marsh & McLennan  
2200 Ross Ave., Suite 3400  
Texas Commerce Tower  
Dallas, TX 75201-7900

RE: POLLUTION LIABILITY COVERAGE BINDER CONFIRMATION FOR  
Dakota Mining Corporation

Dear Nilsa:

The above-captioned account is bound effective January 18, 1994, with the following conditions:

Policy Number:	NTA250959301
Limits of Liability:	\$ 306,000 each loss \$ 306,000 total all losses
Self-Insured Retention:	\$ 50,000 each loss
Premium (25% minimum earned):	\$ 10,000
Commission Rate:	9%
Coverage:	sudden and gradual pollution for the Gilt Edge Mine, Deadwood, South Dakota location using the Planet Company form {PLL-1(9/87)}, subject to the following:

1. A minimum earned premium of 25% will apply upon binding.
2. A completed pollution application signed and dated by the insured. (received)
3. No coverage will be provided for underground storage tanks and underground piping.
4. Non-owned disposal sites will not be covered for third party liability or cleanup costs.
5. No coverage will be provided for National Priorities List sites.

ECS  
Underwriting,  
Inc.

520 Eagleview Boulevard  
PO Box 636  
Exton, PA 19341-0636  
(215) 458-0570  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 458-8667

Ms. Nilsa Cabrera  
January 31, 1994  
Page 2

6. No coverage will be provided for loss arising from the actual, alleged or threatened exposure of person(s) of property to any radioactive matter.
7. No coverage will be provided for asbestos matter.
8. A satisfactory engineering survey during the policy period at our expense.
9. The following entity will be included as an Additional Insured, but solely as respects liability arising out of Dakota Mining Corp./Brohm Mining Corp.'s ownership, operation, maintenance or use of the location covered under this policy:

ADDITIONAL INSURED

The State of South Dakota

10. Receipt of 1993 year-end financial data when available.

Sincerely,



Richard Sheldon  
Underwriter

Environmental Risk Management Department

RS/lak

Enclosure

cc: Paul Murdoch  
Bill North  
Stephanie Freedman  
Pollution Division

# PLANET INSURANCE COMPANY

MADISON, WISCONSIN

(A Stock Insurance Company Herein Called the Company)

## POLLUTION LEGAL LIABILITY

This is a Claims-Made Policy—Please Read Carefully

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, the Company agrees with the NAMED INSURED as follows:

### I. INSURING AGREEMENT

To indemnify the INSURED against LOSS the INSURED has or will become legally obligated to pay as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.

### II. DEFINITIONS

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. LOSS means:
  - 1. monetary awards or settlements of compensatory damages arising from:
    - a. BODILY INJURY as defined herein, or
    - b. PROPERTY DAMAGE as defined herein, and
  - 2. costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom caused by POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.
- D. PROPERTY DAMAGE means:
  - 1. physical injury to or destruction of tangible property including the resulting loss of use thereof,
  - 2. clean up costs,
  - 3. loss of use of tangible property that has not been physically injured or destroyed;  
provided that such physical injury or destruction, clean up costs and/or loss of use are caused by POLLUTION CONDITIONS emanating from locations designated in Item 5 of the Declarations.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. POLLUTION CONDITIONS means the discharge, dispersal, release or escape of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in BODILY INJURY or PROPERTY DAMAGE.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. AUTOMOBILE means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached thereto.
- I. CLAIM means the assertion of a legal right alleging liability or responsibility on the part of the NAMED INSURED, arising out of POLLUTION CONDITIONS, and shall include but not necessarily be limited to lawsuits or petitions filed against the NAMED INSURED.

### III. TERRITORY

This policy only applies to claims or suits arising from POLLUTION CONDITIONS in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

### IV. EXCLUSIONS

This insurance does not apply to LOSS:

- 1. arising from POLLUTION CONDITIONS existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such POLLUTION CONDITIONS could have been expected to give rise to a claim;
- 2. from claims or suits seeking non-pecuniary relief;
- 3. arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendments of 1978 or the Clean Water Act of 1977 as amended in 1978, or any "deepwater port" as defined in the Deepwater Port Act of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well of any nature whatsoever;

4. arising under any worker's compensation, unemployment compensation or disability benefits law or similar law;
5. arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
6. arising as a result of liability of others assumed by the INSURED under any contract or agreement;
7. arising as a result of PROPERTY DAMAGE or BODILY INJURY to or at the location(s) designated in Item 5 of the Declarations, even if such PROPERTY DAMAGE or BODILY INJURY is incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
8. arising from clean up costs incurred for the remediation of soil and/or groundwater contamination to or at the location(s) designated in Item 5 of the Declarations, even if such clean up costs are incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
9. arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock;
10. arising from POLLUTION CONDITIONS emanating from the location(s) designated in Item 5 of the Declarations, once such location(s) are sold, leased, given away, abandoned or operational control has been relinquished;

11. A. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE
  1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  2. resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL, if
  1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
  2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
  3. the BODILY INJURY or PROPERTY DAMAGE arises out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.

C. As used in this exclusion:

"HAZARDOUS PROPERTIES" include radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BYPRODUCT MATERIAL;

"SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL", and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

1. any NUCLEAR REACTOR,
2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
3. any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of WASTE,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"PROPERTY DAMAGE" includes all forms of radioactive contamination of property;

12. arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under his name including any container thereof, or any reliance upon a representation of warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs away from premises owned, operated or leased to the INSURED or after physical possession of such has been relinquished to others;

13. arising out of operations performed by or on behalf of the INSURED or reliance upon a representation of warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after such operations have been completed or abandoned and occurs away from premises owned, operated or leased to the INSURED. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:
  - a. When all operations to be performed by or on behalf of the INSURED under the contract have been completed,
  - b. When all operations to be performed by or on behalf of the INSURED at the site of the operations have been completed, or
  - c. When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
14. due to PROPERTY DAMAGE to goods or products manufactured, sold, handled or distributed by the INSURED arising out of such goods or products or any part thereof, or due to PROPERTY DAMAGE to work performed by or on behalf of the INSURED arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
15. arising from POLLUTION CONDITIONS based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
16. arising from POLLUTION CONDITIONS based upon or attributable to acid rain conditions;
17. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

#### V. EXTENDED DISCOVERY PERIOD

The provisions of this clause shall only apply if a period of at least 12 months has elapsed from the date set forth in Item 7 of the Declarations when the NAMED INSURED seeks to exercise the option hereunder.

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

1. Where cancellation or non-renewal is by the Company, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.
2. Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects POLLUTION CONDITIONS existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as non-renewal.

#### VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of any LOSS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All LOSS arising out of the same or related POLLUTION CONDITIONS at any one location shall be considered a single LOSS, and the limit of liability shown in Item 3 of the Declarations as applicable to "each loss" shall apply.

Subject to the foregoing, the Company's total liability for all LOSSES from claims first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable, shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Total for all LOSSES".

#### VII. CLAIM OR SUIT PROVISIONS

1. In the event of a claim or suit, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible.
2. If claim is made or suit is instituted against the INSURED, the INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED'S representative.
3. No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. The Company shall have the right but not the duty to designate legal counsel to associate in the investigation of claims and the defense of suits. The INSURED shall not admit liability or settle any claim or suit without the Company's consent. If the Company recommends a settlement of a claim or suit:
  - a. for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for any LOSS in excess of the retention;
  - b. for a total amount in excess of the balance of the retention and the INSURED refuses such settlement, the Company's liability for LOSS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED's refusal which exceed the retention and fall within the Limit of Liability.

4. The Company shall have the right but not the duty to assume the adjustment of any claim or the defense of any suit. In case of the exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of LOSS falling within the INSURED's retentions. The INSURED shall assist and cooperate with the Company.

#### VIII. CONDITIONS

1. **INSPECTION AND AUDIT**—The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis the INSURED'S property or operations, at any time. Neither the Company's right to make inspections, sample and monitor nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. **CANCELLATION**—This policy may be cancelled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown in this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.

If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

3. **DECLARATIONS**—By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. **ACTION AGAINST COMPANY**—No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgement against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED'S liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve the Company of any of its obligations hereunder.

5. **ASSIGNMENT**—Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. **SUBROGATION**—In the event of any payment under this policy, the Company shall be subrogated to all the INSURED'S rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. **CHANGES**—Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. **SOLE AGENT**—The INSURED first named in Item 1 of the declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. **CHOICE OF LAW**—In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.
10. **OTHER INSURANCE**—Where other valid and collectable insurance is available to the NAMED INSURED for LOSSES covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
- This insurance shall apply as excess insurance over any other valid and collectable insurance be it primary or excess.
  - Where this insurance is excess over other valid and collectable insurance, the Company will pay only its share of the amount of LOSS, if any, that exceeds the total amount that all such other insurance will pay for the LOSS in the absence of this insurance.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized agent of the Company.

*Linda C. Kohn*

*John M. Dunt*

Secretary

President

February 1, 1994

MC  
Ms. Nilsa Cabrera  
Marsh & McLennan  
2200 Ross Ave., Suite 3400  
Texas Commerce Tower  
Dallas, TX 75201-7900

RE: FIRST PARTY POLLUTION CLEAN-UP COVERAGE BINDER CONFIRMATION FOR  
DAKOTA MINING CORPORATION

Dear Nilsa:

The above captioned account is bound effective January 18, 1994 with  
the following conditions:

Policy Number:	NTD250951401
Limits of Liability:	\$ 306,000 per claim \$ 306,000 total all claims
Self-Insured Retention:	\$ 50,000 per claim
Premium (25% minimum earned):	\$ 50,000
Commission Rate:	9%
Coverage:	First Party Pollution Clean-Up coverage for the Gilt Edge Mine, Deadwood, SD location using the Planet Company form attached subject to the following:

1. A minimum earned premium of 25% will apply upon binding.
2. A completed First Party Pollution Clean-Up application signed  
and dated by the insured. (received)
3. No coverage will be provided for claims arising from  
underground storage tanks and underground piping.
4. No coverage will be provided for claims arising from  
non-owned disposal sites.
5. A retroactive date of September 29, 1992 will apply.

ECS  
Underwriting,  
Inc.

520 Eagleview Boulevard  
PO Box 636  
Exton, PA 19341-0636  
(215) 458-0570  
(800) ECS-1414  
(outside Pennsylvania)  
Fax (215) 458-8667

Ms. Nilsa Cabrera  
February 1, 1994  
Page 2

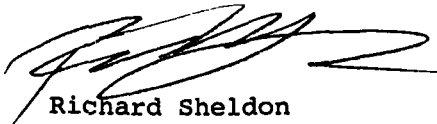
6. No coverage will be provided for claims arising from the actual, alleged or threatened exposure of person(s) or property to any radioactive matter.
7. No coverage will be provided for claims arising from asbestos matter.
8. No coverage will be provided for claims arising from the presence or required removal or abatement of lead paint.
9. No coverage will be provided for National Priorities List sites.
10. A satisfactory engineering survey during the upcoming period at our expense.
11. The following entity will be included as an Additional Insured, but solely as respects liability arising out of Dakota Mining Corp./Brohm Mining Corp.'s ownership, operation, maintenance or use of the location covered under this policy:

ADDITIONAL INSURED

The State of South Dakota

12. Receipt of 1993 year-end financial data when available.

Sincerely,



Richard Sheldon  
Underwriter  
Environmental Risk Management Department

RS/abm

Enclosure(s)

cc: Paul Murdoch  
Scott Britt  
Stephanie Freedman  
Pollution Division

# **PLANET INSURANCE COMPANY**

**SUN PRAIRIE, WISCONSIN**

(A Stock Insurance Company Herein Called the Company)

## **POLLUTION CLEAN-UP POLICY**

**This is a Claims-Made Policy—Please Read Carefully**

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, the Company agrees with the NAMED INSURED as follows:

### **I. INSURING AGREEMENT**

To indemnify the INSURED for CLEAN-UP COSTS only, incurred by the INSURED as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for ENVIRONMENTAL DAMAGE on or at the location(s) designated in Item 5 of the Declarations.

### **II. DEFINITIONS**

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. CLEAN-UP COSTS means expenses for the removal or neutralization of solid, liquid, gaseous or thermal contaminants, irritants or pollutants on or at the location(s) designated in Item 5 of the Declarations. CLEAN-UP COSTS do not include expenses associated with the defense of any administrative and/or legal proceeding of any kind.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom.
- D. PROPERTY DAMAGE means:
  - 1. physical injury to or destruction of tangible property including the resulting loss of use thereof;
  - 2. loss of use of tangible property that has not been physically injured or destroyed.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. ENVIRONMENTAL DAMAGE means the injurious presence in or upon land, the atmosphere or body of water, of solid, liquid, gaseous or thermal contaminants, irritants or pollutants.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. CLAIM means CLEAN-UP COSTS incurred by the insured in the discharge of a legal obligation validly imposed through governmental action which is initiated during the policy period because of ENVIRONMENTAL DAMAGE to which this insurance applies.

### **III. TERRITORY**

This policy only applies to claims arising from ENVIRONMENTAL DAMAGE in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

### **IV. EXCLUSIONS**

This insurance does not apply to:

- 1. CLAIMS arising from ENVIRONMENTAL DAMAGE existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such ENVIRONMENTAL DAMAGE could have been expected to give rise to a claim;
- 2. CLAIMS seeking non-pecuniary relief, including but not limited to fines, penalties or exemplary damages;
- 3. CLAIMS seeking compensatory damages;
- 4. CLAIMS arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendment of 1978 or the Clean Water Act of 1977 as amended in 1978, or any "deepwater port" as defined in the Deepwater Port Act of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well of any nature whatsoever;
- 5. liability arising under any worker's compensation, unemployment compensation or disability benefits law or similar law;
- 6. liability arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
- 7. liability arising as a result of others assumed by the INSURED under any contract or agreement;
- 8. liability arising as a result of PROPERTY DAMAGE or BODILY INJURY;
- 9. CLAIMS arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock; except when on or at the location(s) designated in Item 5 of the Declarations;
- 10. CLAIMS arising from ENVIRONMENTAL DAMAGE on or at the location(s) designated in Item 5 of the Declarations, once such locations(s) are sold, leased, given away, abandoned or operational control has been relinquished;

11. A. Under any Liability Coverage, to CLEAN-UP COSTS

1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
2. resulting from HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Liability Coverage, to CLEAN-UP COSTS resulting from the HAZARDOUS PROPERTIES OF NUCLEAR MATERIAL, if

1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
3. the CLEAN-UP COSTS arising out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY.

C. As used in this exclusion:

"HAZARDOUS PROPERTIES" including radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL OR BYPRODUCT MATERIAL;

"SOURCE MATERIAL," "SPECIAL NUCLEAR MATERIAL," AND "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

1. any NUCLEAR REACTOR,
2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
3. any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
4. any structure, basin, excavation, premises or place prepared or used for the storage of disposal of WASTE, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

12. CLAIMS arising from ENVIRONMENTAL DAMAGE based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
13. arising from ENVIRONMENTAL DAMAGE based upon or attributable to acid rain conditions;
14. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion;
15. liability arising out of any monitoring, sampling, analyzing or testing following the removal or neutralization of solid, liquid, gaseous or thermal contaminants, irritants or pollutants.
16. CLAIMS arising from ENVIRONMENTAL DAMAGE on or at location(s) other than those designated in Item 5 of the Declarations even if such ENVIRONMENTAL DAMAGE is emanating from a designated location(s).
17. any costs, charges or expenses associated with the defense of any administrative and/or legal proceeding of any kind.

V. EXTENDED DISCOVERY PERIOD

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

1. Where cancellation or non-renewal is by the Company, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more

2. Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects ENVIRONMENTAL DAMAGE existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under the clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as nonrenewal.

#### VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of CLEAN-UP COSTS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All CLEAN-UP COSTS arising out of the same or related ENVIRONMENTAL DAMAGE at any one location shall be considered a single CLEAN-UP COST.

Subject to the foregoing, the Company's total liability for all CLEAN-UP COSTS from claims first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable, shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Annual Aggregate."

#### VII. CLAIM PROVISIONS

1. In the event of a claim, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible. The INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED's representative.
2. The INSURED shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the purpose of investigation and/or defense, all without charge to the Company. The INSURED shall further cooperate with the Company and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment which the INSURED may have. The INSURED shall not, except at his own costs, make any payment, admit any liability, settle any claims, assume any obligation or incur any expense without the written consent of the Company.
3. In the event of any ENVIRONMENTAL DAMAGE or knowledge of any circumstance not previously disclosed that might reasonably be expected to result in an ENVIRONMENTAL DAMAGE, the INSURED shall promptly take all reasonable steps to prevent injury or damage from arising out of the ENVIRONMENTAL DAMAGE or circumstances and notify the Company of such circumstances or preventive measures immediately.
4. No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. If the Company recommends a settlement of a claim:
  - a. for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for CLEAN-UP COSTS in excess of the retention;
  - b. for a total amount in excess of the balance of the retention and the INSURED refuses to such settlement, the Company's liability for CLEAN-UP COSTS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED's refusal which exceed the retention and fall within the Limit of Liability.
5. The Company shall have the right but not the duty to assume the adjustment of any claim. In case of exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of CLEAN-UP COSTS falling within the INSURED's retentions. The INSURED shall assist and cooperate with the Company.

#### VIII. CONDITIONS

1. INSPECTION AND AUDIT — The Company shall be permitted but not obligated to inspect on a continuing basis the INSURED's property or operations, at any time. Neither the Company's right to make inspections nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. CANCELLATION — This policy may be cancelled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown on this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.

If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

3. **DECLARATIONS** — By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. **ACTION AGAINST COMPANY** — No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until the amount of the INSURED's obligation to pay shall have been finally determined either by judgement against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.

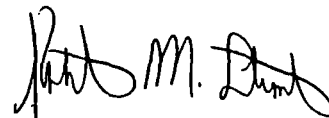
Any person or organization or the legal representative thereof who has secured such judgement or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED's liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED's estate shall not relieve the Company of any of its obligations hereunder.

5. **ASSIGNMENT** — Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. **SUBROGATION** — In the event of any payment under this policy, the Company shall be subrogated to all the INSURED's rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. **CHANGES** — Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. **SOLE AGENT** — The INSURED first named in Item 1 of the declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. **OTHER INSURANCE** — Where other valid and collectable insurance is available to the NAMED INSURED for CLEAN-UP COSTS covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
- a. This insurance shall apply as excess insurance over any other valid and collectable insurance be it primary or excess.
  - b. Where this insurance is excess over other valid and collectable insurance, the Company will pay only its share of the amount of CLEAN-UP COSTS, if any, that exceeds the total amount that all such other insurance will pay for the CLEAN-UP COSTS in the absence of this insurance.
10. **CHOICE OF LAW** — In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by and duly authorized agent of the Company.



Secretary



President

PLANET INSURANCE COMPANY  
MADISON, WISCONSIN

NAMED DAKOTA MINING CORPORATION/BROHM MINING CORP.  
INSURED P.O. Box 485  
AND Deadwood, South Dakota 57732  
POST OFFICE

RECEIVED

APR 18 1994

M &amp; M DENVER

FIRST PARTY POLLUTION CLEAN-UP  
DECLARATIONS

THIS IS A CLAIMS-MADE POLICY--PLEASE READ CAREFULLY

POLICY NUMBER: NTD250951401✓

Item 1: NAMED INSURED DAKOTA MINING CORPORATION/BROHM MINING CORP. ✓  
ADDRESS P.O. Box 485  
Deadwood, South Dakota 57732

Item 2: POLICY PERIOD

FROM January 18, 1994 ✓ TO January 18, 1995 ✓  
12:01 A.M. standard time at the address of the NAMED INSURED shown above.

Item 3: LIMIT OF LIABILITY, up to \$306,000 ✓ each CLAIM  
\$306,000 ✓ TOTAL FOR ALL CLAIMS

Item 4: RETENTION \$50,000 ✓ each LOSS

Item 5: COVERED LOCATION(S): Gilt Edge Mine ✓  
Deadwood, South Dakota ✓

Item 6: POLICY PREMIUM \$50,000 ✓

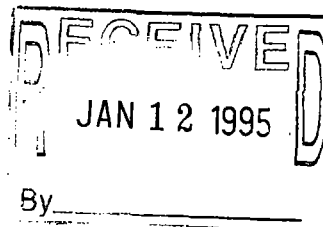
Item 7: EXTENDED DISCOVERY CLAUSE DATE: September 29, 1992 ✓

*ie. Retro Date*

Broker: Marsh & McLennan  
2200 Ross Avenue, Suite 3400  
Texas Commerce Tower  
Dallas, TX 75201-7900

*Paul M. Miller*  
Authorized Representative RS/lls 1/31/94

Post-It brand fax transmittal memo 7671		# of pages 1	
To: C. Souers	From: J. H. H. H.		
Co. ACOR	Co.		
Dept. 1012	Phone #		
Fax #	Fax #		
Case 101	Doc 101		





January 6, 1995

Planet Insurance Company  
Madison, Wisconsin

Re: Incident which may give rise to a potential claim under  
First Party Pollution Cleanup Policy #NTD250951401  
Pollution Legal Liability Policy #NTA250959301

Gentlemen:

To comply with policy provisions, we wish to notify you of the following circumstance:

On October 6, 1994, a severe rain storm (a 100+ year event) struck the Gilt Edge Mine near Deadwood, South Dakota. The 6 to 8 inches of rain caused a considerable increase in the level of acidity in Strawberry Creek. As a result, efforts were focused on locating and correcting the source of the acidity. Compliance with the NPDES Permit was achieved on October 29, 1994.

The Gilt Edge Mine is currently in the process of testing a water treatment plant that would enable the Mine to treat and discharge water and maintain compliance with the NPDES permit. In addition, a system of water collection and pumpback stations is being designed and will be implemented to prevent future occurrences.

To date, no formal claims by property owners or regulators have been received by the Mine.

If you have any questions, please contact me. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "J. C. Sowers, III", with a long, sweeping horizontal line extending to the right.

J. C. Sowers, III  
Treasurer

cc: Vera Kalba, Marsh & McLennan  
Dale Shay, Brohm Mining Corp.

**CANANWILL, INC.**  
**1234 MARKET STREET, SUITE 340, PHILADELPHIA, PA 19107 • (800) 523-0719**  
**COMMERCIAL INSURANCE PREMIUM FINANCE AND SECURITY AGREEMENT**

Contract Number

NC LIC. #B - 116, SC LIC. #99

a0545b0000t0000v63a

Agent Number EC022

Quote Number SHELDON 210875

Name and Address of Insured (Exactly as Shown on Policy) ("Insured")

**DAKOTA MINING CORPORATION**  
**P.O. BOX 485**  
**DEADWOOD**

**SD 57732**

**605-578-2107**

Telephone Number:

Name and Address of Insured's Agent ("Agent")

**MARSH AND MCLENNAN**  
**2200 ROSS AVENUE**  
**DALLAS**

**TX 75201**

**214-979-9900**

Telephone Number:

Policyholder Designation

(Check One):

☐ Partnership

☒ Proprietorship

☐ Corporation

Type of Agreement

(Check One):

☐ New

☐ Additional Premium

Indicate contract number of current policy being financed.

**SCHEDULE OF POLICIES COVERED BY THIS AGREEMENT**

FOR COMPANY USE ONLY	POLICY NUMBER Prefix Number	FULL NAME OF INSURANCE COMPANY AND ADDRESS OF BRANCH REPORTING OFFICE AND FULL NAME AND ADDRESS OF GENERAL AGENT	TYPE OF INSURANCE	TERM IN MONTHS	POLICY EFFECTIVE DATE Mo. Day Year	POLICY PREMIUM
17978	SHEL 11084	R N I C C/O ECS UNDERWRITING	PLA	12	01 18 95	10,000.00
17978	SHEL 11084	R N I C C/O ECS UNDERWRITING	FPL	12	01 18 95	48,970.00

(Additional policies may be listed on attached Schedule)

FLORIDA DOCUMENTARY STAMP TAX

\$ .00



**DISCLOSURE STATEMENT - PAYMENT SCHEDULE**

**CASH PRICE**  
**(Total Premiums)**

**58,970.00**

Payment Plan: ☒ Monthly ☐ Quarterly ☐ Annually

Number of Payments **10**

First Payment Due **02/18/95**

Subsequent payments are due on the same day of each succeeding period.

CASH PRICE	CASH DOWN PAYMENT	AMOUNT FINANCED The amount of credit provided on your behalf.	FINANCE CHARGE The dollar amount the credit will cost you.	TOTAL OF PAYMENTS The amount you will have paid when you have made all scheduled payments.	AMOUNT OF EACH PAYMENT	ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.
58,970.00	5,897.00	53,073.00	2,298.40	55,371.40	5,537.14	9.34 %

**CANANWILL, INC. (HEREINAFTER CALLED CANANWILL)**

**1234 Market Street, Suite 340, Philadelphia, PA 19107 • (800) 523-0719**

Prepayment: The Insured may prepay in full at any time and receive a refund of the unearned finance charge, calculated according to the Rule of 78's (actuarial method in AR, AZ, CA, MA, NJ, OR, PA, VT; short rate method in SC), and subject to a nonrefundable charge stated on the reverse side. Minimum refund is \$1.00.

Security Interest: The Insured assigns to Cananwill as security for payment of this agreement all sums payable to the Insured with reference to the policies listed above, including, among other things, any gross return premiums and any payment on account of loss which results in reduction of unearned premium.

Delinquency Charge: The Insured agrees that upon default in payment of any installment five days or more to pay a Delinquency Charge of 5% of the delinquent installment. In AK, CA, DE,

MA, MI, MN, ND, NJ, OR, TN, TX, the Delinquency Charge is not due until installment is in default for ten days or more, 7 days in VA. Maximum delinquency charge is \$5 in DE, MI, MT, NJ, ND, OH, WA; \$50 in MD. In AK, OR: for delinquent payments of less than \$250, the delinquency charge is the lesser of 5% of the payment or \$5, otherwise the delinquency charge is 2% of the payment. In NM, Insured agrees to pay interest at the Annual Percentage Rate stated above on any payment not made on the scheduled due date until such payment is made. KS: Delinquency charge is \$5 plus 2% of the installment in default.

Cancellation Charge: The Insured agrees that if a default results in cancellation of the policy(ies) to pay a Cancellation Charge in the amount stated on the reverse side. (Not applicable in TX, NC.)

See the provisions on the reverse side for additional information about nonpayment, default, and any repayment in full before the scheduled date and any prepayment refunds or penalties.

**NOTICE TO INSURED: 1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT, INCLUDING THE WRITING ON THE REVERSE SIDE, OR IF IT CONTAINS ANY BLANKS. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS AGREEMENT AT THE TIME YOU SIGN IT. 3. YOU UNDERSTAND AND HAVE RECEIVED A COPY OF THIS AGREEMENT. KEEP IT TO PROTECT YOUR LEGAL RIGHTS. 4. UNDER THE LAW YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE FINANCE CHARGE. 5. SEE OTHER SIDE FOR IMPORTANT INFORMATION.**

All Insureds must sign as named in policies. If corporation, authorized officers must sign; if partnership, partner should sign as such; signatory acting in representative capacity represents that all Insureds have authorized this transaction and have authorized signatory to receive all notices hereunder. By signing below each Insured jointly and severally agrees to make all payments required by this Agreement and to be bound by all provisions of this Agreement, including those on the reverse side. You are not required to enter into an insurance premium financing arrangement as a condition to the purchase of any insurance policy.

By 15/ (Signature of Insured)

Date 1/27/95

**INSURED'S COPY**

**AGENT'S REPRESENTATIONS AND WARRANTIES**

The undersigned Agent has read the Insurance Agent's Representations and Warranties on the reverse side and makes all such representations and warranties recited therein and agrees to be bound by the terms of this Agreement.

By \_\_\_\_\_ (Signature of Agent)

Date \_\_\_\_\_

(Typed Name and Title)

**The Insured (jointly and severally if more than one) agrees as follows:**

1. In consideration of the payment by Cananwill of the Amount Financed, Insured agrees to pay the Cash Down Payment to the insurance company(ies) listed in the Schedule of Policies, and to pay Cananwill the Total of Payments in accordance with the terms of this Agreement. Interest is computed on a monthly basis.

2. Insured assigns to Cananwill as security for the total amount payable hereunder all sums payable to the Insured under the listed Policies, including, among other things, any gross unearned premiums and any payment on account of loss which results in a reduction of unearned premium.

3. Insured hereby irrevocably appoints Cananwill as its Attorney-in-Fact upon the occurrence of an Event of Default (defined below) and, after proper notice has been mailed as required by law, grants to Cananwill authority to effect cancellation of policy(ies) listed in the Schedule of Policies ("Policies"), and to receive any unearned premium or other amounts with respect to the Policies assigned as security herein, and to sign any check or draft issued therefor in Insured's name and to direct the insurance companies to make said check or draft payable to Cananwill. Insured agrees that proof of mailing any notice hereunder constitutes proof of receipt of such notice.

4. Insured agrees that any payments made and accepted after Policy cancellation shall not constitute reinstatement or obligate Cananwill to request reinstatement of such insurance Policy(ies), and Insured acknowledges that Cananwill has no authority to reinstate coverage, and that such payments may be applied to Insured's indebtedness hereunder.

5. Insured agrees not to assign the Policy(ies) except for the interest of mortgagees or loss payees, without the written consent of Cananwill. Cananwill may assign this Agreement without Insured's consent, and all rights conferred upon Cananwill shall inure to Cananwill's successors and assigns.

6. Except in KY and VT, Insured agrees to pay a fee of \$15.00 in the event of a dishonored check, (\$5.00 in CA; \$10 in AZ, FL, MA, MD, VI; \$7.50 in NV.)

7. An Event of Default occurs when the Insured does not pay any installment according to the terms of this Agreement or (except in MD) fails to comply with any of the terms of the Agreement or (except in MD) if any of the Policies are cancelled for any reason. If an Event of Default occurs and after giving notice as required by law, all amounts due under this Agreement become immediately due and payable and the Insured is liable for all amounts described herein, including any unpaid balance remaining after application of the unearned premiums. If an Event of Default occurs, Cananwill may at its option pursue the following remedies:

- After proper notice has been given as required by law, Cananwill may immediately cancel the Policy(ies) and collect any unearned premiums or other amounts payable under said Policies. Unearned premiums shall be payable to Cananwill only.

- Cananwill may take all necessary actions to enforce payment of this debt. To the extent not prohibited or limited by applicable law, Cananwill is entitled to collection costs and expenses incurred while enforcing its rights under this Agreement and to reasonable attorney's fees if this Agreement is referred to an attorney who is not a salaried employee of Cananwill for collection or enforcement (not permitted in KY; total of collection costs and attorneys' fees is limited to 20% of the unpaid balance in AZ, FL, MO, MS, NH, NV, NY, VI, 15% of unpaid balance in TN; 25% of unpaid balance in VT).

- Except in AK, NC, VT and the other states listed herein, after cancellation, Insured agrees to pay interest on the unpaid balance (calculated according to the Rule of 78's (actuarial method in AR, AZ, CA, NJ, OR, PA; short rate method in SC) as of the scheduled due date of the first delinquent payment leading to cancellation of the Policies) at the rate of 1% per month (in AR, NM, TX, at the Annual Percentage Rate stated on the front), or at the highest rate permitted by law, whichever is less, until the entire balance of this loan is paid in full. In MA, Insured agrees to pay interest at the rate of 1% per month on the difference between the unpaid balance on the date of cancellation (computed according to the actuarial method) and the unearned premiums received by Cananwill on the cancelled Policies, for the period from the date of cancellation until the balance is paid in full.

- In AL, DC, DE, IL, KS, KY, MI, NY and WA, after cancellation, Insured agrees that Cananwill may recompute the total finance charge due under this Agreement on the original amount financed, at the rate and in the manner described in this paragraph from the first effective date of the Policies through the last originally scheduled installment date, and Insured agrees to pay this amount, subject to the provisions on prepayment in full. That rate, stated as a dollar amount per year for each \$100 of amount financed or portion thereof, is as follows: \$9 in AL, DE; \$10 in DC, IL, WA; \$12 in KS, KY, MI; \$14 in NY.

- Cananwill may offset and deduct from any amounts Cananwill owes to Insured with respect to any Policies financed hereunder, any amounts which Insured owes to Cananwill under this or (except in MD, NC and TX) any other agreement.

8. Insured agrees to pay a non-refundable service fee of \$10 in AK, AZ, CT, DE, KS, LA, MO, NY, OH, PA, WA, WI; \$12 in NJ; \$12.50 in MT; \$15 in AL, KY, NC, RI, SC, TN, VA; \$16 in MA; \$18 in MI; \$20 in DC, FL, GA, MD, MN; \$25 in CO, HI, IA, ID, IN, ME, NE, ND, NV, OK, SD, UT, VI, WV, WY; the lesser of \$50 or 10% of the amount financed in OR. In CA, the minimum finance charge is \$25. In IL, the non-refundable service charge is \$20 if the amount financed is less than \$500, \$30 if the amount financed is \$500 or more but less than \$1,000, or \$40 if the amount financed is over \$1,000. In NJ, if this loan is prepaid in full, Insured agrees to pay an additional charge of \$20 for any loan of \$2,000 or less, 1% of the loan for loans over \$2,000 up to and including \$5,000 and \$100 on loans over \$5,000.

9. Insured agrees to pay a cancellation charge of \$5 in TN, VI, \$10 in MN, ND; \$15 in AL, AZ, GA, MO, MS, RI, WI; \$25 in CO, HI, IA, ID, IN, LA, ME, NE, OK, SD, UT, WV, WY; the greater of 2% of the unpaid balance or \$5 in MA; 5% of the installment not to exceed \$50 in MD; the difference between the delinquency charge assessed and: \$5 in DE, MI, MT, NJ, NY, OH, OR, WA; \$10 in DC; \$15 in NH.

10. Insured agrees to pay promptly to the insurer any additional premiums due on the Policies.

11. The Agent is not the agent of Cananwill and the Agent cannot bind Cananwill. Cananwill is not the Agent of any insurer and is not liable for any acts or omissions of any insurer. Insured acknowledges that it has chosen to do business with the Agent and the insurance companies issuing the Policies, and that the insolvency, fraud, defalcation or other action or failure to act by any of them shall not relieve or diminish Insured's obligations to Cananwill hereunder.

12. Except in MD, Cananwill may insert the name of the insurer, policy numbers and first installment due date if omitted.

13. This Agreement shall have no force or effect until accepted by Cananwill. All rights and remedies in this Agreement are cumulative and not exclusive. If any part of this Agreement is determined to be invalid or unenforceable, the remaining provisions of this Agreement shall continue to be in full force and effect. Neither Cananwill nor its assignee shall be liable for any loss or damage to the Insured by reason of failure of any insurance company to issue or maintain in force any of the Policies or by reason of the exercise by Cananwill or its assignee of the rights conferred herein. This Agreement constitutes the entire Agreement between Cananwill and Insured and may not be modified except as agreed upon in writing. Cananwill's acceptance of late or partial payments shall not be deemed a waiver by Cananwill of any provisions of this Agreement, and Cananwill is entitled to require Insured to strictly comply with the terms hereof. Except in AR, this Agreement is governed by the law of the state of the Insured's address shown on the front of this Agreement. In AR, this Agreement is governed by the law of the state where this Agreement is accepted by Cananwill. If any amount contracted for or received by Cananwill is determined to violate any law or regulation, Cananwill may return such prohibited amount to Insured without any further liability therefor.

14. Insured represents and warrants that the proceeds of this loan are to be used to purchase insurance for other than personal, family or household purposes and that all information provided herein or in connection with this agreement is true, correct, complete and not misleading.

15. **CALIFORNIA RESIDENTS ONLY: FOR INFORMATION CONTACT THE DEPARTMENT OF CORPORATIONS, STATE OF CALIFORNIA.** Insured agrees that, in accordance with Section 18608 of the California Financial Code, Cananwill's liability to Insured upon the exercise of Cananwill's authority to cancel the Policies shall be limited to the amount of the principal balance of this loan, except in the event of Cananwill's willful failure to mail the notice of cancellation required under California law.

16. New York residents: No charges pursuant to §2119 (formerly §129) of the New York Insurance Laws are financed hereunder.

**In connection with the Policies scheduled on the reverse side, the Agent represents and warrants to Cananwill, its successors and assigns that:**

1. Deposit premiums are not less than the anticipated premiums to be earned for the full terms of the Policies.

2. All of the scheduled Policies or bonds in this Agreement are cancellable by standard short rate or pro-rata tables.

3. When cancellation is requested by Insured or by Cananwill, none of the Policies require advance notice of cancellation to any party, other than any notice required to be given by Cananwill, and there are no audit or reporting form policies, Policies subject to retrospective rating or to minimum earned premiums except as indicated in the Schedule of Policies.

4. We are the authorized policy issuing Agent of the insurance companies or the broker placing the coverage directly with the insurance company on all Policies except as indicated in the Schedule of Policies.

5. The Insured(s) signature(s) on the reverse side hereof are genuine, the Insured has not paid for the scheduled Policies other than as described herein, the Insured(s) have received a copy of this Agreement, this Agreement is valid and enforceable and there are no defenses to it, the scheduled Policies are in full force and effect and the premiums indicated are correct for the term of the Policies, and all other information relating to the Policies and the Insured is complete and correct. None of the Policies have been financed on an installment payment plan provided by the insurance company(ies), or are noncancellable policy(ies), or policies written for a term of less than one year. The Agent recognizes the Insured's assignment of the unearned premiums and upon cancellation of any of the scheduled Policies agrees to pay promptly any unearned commissions to Cananwill and to pay to Cananwill the unearned premiums immediately upon receipt. Agent shall not deduct any amounts which Insured owes to Agent from any amounts owing to Cananwill hereunder. The Policies are not for personal, family or household purposes.

6. A proceeding in bankruptcy, receivership or insolvency has not been instituted by or against the Insured or if the Insured is the subject of such a proceeding, it is noted on the Agreement in the space in which the Insured's name and address is placed.

7. If the Agreement has been signed by the Agent on behalf of the Insured, the Agent has the authority to act in this capacity and the Agent has provided the Insured with a complete copy of this Agreement.

8. There are no exceptions to the Policies financed other than those indicated, and the Policy(ies) comply with Cananwill's eligibility requirements.

9. The Cash Down Payment, and any installments due from the Insured which Agent has agreed to collect, have been collected from the Insured.

10. Agent is not an agent of Cananwill and is not authorized to bind Cananwill and has not made any representation to the contrary.

The Agent agrees to promptly remit all funds received from Cananwill and the Insured for the financed Policies and due to the insurance company(ies) issuing such Policies. Agent shall be liable to Cananwill for any losses, costs, damages or other expenses (including attorneys fees) incurred by Cananwill or its assignee as a result of or in connection with any untrue or misleading representation or warranty made by Agent hereunder, or otherwise arising out of the breach by Agent of this Agreement. Agent shall promptly notify Cananwill of any unpaid increased premiums for the Policies.

**AFCO****Commercial Premium Finance Agreement**711 JORIE BLVD., STE. 240/OAK BROOK, IL 60521  
TEL. NOS. (708) 572-9080/1-800-288-8214

Page 1 of 1

Agent (Name and Address)

MARSH & MCLENNAN INC.  
1050 17TH STREET, SUITE 900  
DENVER, CO 80265

Insured (Name and Address as shown on the policy)

J.S. Brothm  
~~DAKOTA~~ MINING CORP.  
410 17TH STREET #2450  
DENVER, CO 80202

A) Total Premiums

58,970.00

B) Down Payment

5,897.00

C) Amount Financed

53,073.00

D) Finance Charge

2,221.60

E) Total Payments

55,294.60

F) Annual Percentage Rate

9.03

No. of Payments

10 MOS

Amount of Payments

5,529.46

First Installment Due

02/18/95

Installment Due Dates

18'th

**SCHEDULE OF POLICIES**

Policy Prefix and Number	Effective Date of Policy/Inst.	Name of Insurance Company and Name and Address of General or Policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
INSURED  KE131	01/18/95  ACTUAL  ADDRESS	PLANET INSURANCE CO ENVIRONMENTAL COMPLIANCE SERVICES  P O BOX 485 DEADWOOD, SD 57732	LIAB	12	58,970.00

(1) **DEFINITIONS:** The above named insured ("the insured") is the debtor. AFCO Credit Corporation ("AFCO") is the lender to whom the debt is owed. "Insurance company" or "company", "insurance policy" or "policy" and "premium" refer to those items listed under the "Schedule of Policies". Singular words mean plural and vice-versa as may be required in order to give the agreement meaning.

(2) **LIMITED POWER OF ATTORNEY:** The insured irrevocably appoints AFCO as its attorney in fact with full authority to cancel the insurance policies for the reasons stated in paragraph (14), and to receive all sums assigned to AFCO or in which it has granted AFCO a security interest. AFCO may execute and deliver on the insured's behalf all documents, instruments of payment, forms, and notices of any kind relating to the insurance policies in furtherance of this agreement.

**INSURED AGREES TO THE TERMS SET FORTH ABOVE AND ON THE REVERSE SIDE**

INSURED'S NAME

SIGNATURE OF INSURED OR AUTHORIZED REPRESENTATIVE

TITLE

DATE

2/1/95

0201SDxxbxxabf

**AGENT OR BROKER REPRESENTATIONS**

The undersigned warrants and agrees: 1. The policies are in full force and effect and the information in the Schedule of Policies and the premiums are correct. 2. The insured has authorized this transaction and recognizes the security interest assigned herein and has received a copy of this agreement. 3. To hold in trust for AFCO any payments made or credited to the insured through or to the undersigned, directly or indirectly, actually or constructively by the insurance companies or AFCO and to pay the monies as well as any unearned commissions to AFCO upon demand to satisfy the outstanding indebtedness of the insured. Any lien the undersigned has or may acquire in the return premiums arising out of the listed insurance policies is subordinated to AFCO's lien or security interest therein. 4. The policies comply with AFCO's eligibility requirements. 5. No audit or reporting form policies, policies subject to retrospective rating or minimum earned premium are included. The deposit or provisional premiums are not less than anticipated premiums to be earned for the full term of the policies. 6. The policies can be cancelled by the insured and the unearned premiums will be computed on the standard short-rate or pro-rata table. 7. The undersigned represents that a proceeding in bankruptcy, receivership, or insolvency has not been instituted by or against the named insured.

**IF THERE ARE ANY EXCEPTIONS TO THE ABOVE STATEMENTS PLEASE LIST BELOW:**

THE UNDERSIGNED FURTHER WARRANTS THAT IT HAS RECEIVED THE DOWN PAYMENT AND  
ANY OTHER SUMS DUE AS REQUIRED BY THE AGREEMENT AND IS HOLDING SAME OR THEY ARE ATTACHED TO THIS AGREEMENT

X

AGENT OR BROKER

SIGNATURE OF AGENT OR BROKER

TITLE

DATE

**(3) PROMISE OF REPAYMENT:** The insured requests that AFCO pay the premiums in the Schedule of Policies. The insured promises to pay to AFCO the amount stated in Block E above according to the payment schedule, subject to the remaining terms of this agreement.

**(4) SECURITY INTEREST:** The insured assigns to AFCO as security for the total amount payable in this agreement any and all unearned premiums and dividends which may become payable under the insurance policies for whatever reason and loss payments which reduce the unearned premiums subject to any mortgagee or loss payee interests. The insured gives to AFCO a security interest in all items mentioned in this paragraph. The insured further grants to AFCO its interest which may arise under any state insurance guarantee fund relating to any policy shown in the Schedule of Policies.

**(5) WARRANTY OF ACCURACY:** The insured warrants to AFCO that the insurance policies listed in the Schedule have been issued to the insured and are in full force and effect and that the insured has not assigned any interest in the policies except for the interest of mortgagees and loss payees. The insured authorizes AFCO to insert or correct on this agreement, if omitted or incorrect, the insurer's name, the policy numbers, and the due date of the first installment. AFCO is permitted to correct any obvious errors. In the event of any change or insertion, AFCO will give the insured written notice of those changes or corrections made in accordance with this provision.

**(6) REPRESENTATION OF SOLVENCY:** The insured represents that the insured is not insolvent or presently the subject of any insolvency proceeding.

**(7) ADDITIONAL PREMIUMS:** The money paid by AFCO is only for the premium as determined at the time the insurance policy is issued. The insured agrees to pay the company any additional premiums which become due for any reason. AFCO may assign the company any rights it has against the insured for premiums due the company in excess of the premiums returned to AFCO.

**(8) SPECIAL INSURANCE POLICIES:** If the insurance policy issued to the insured is auditable or is a reporting form policy or is subject to retrospective rating, then the insured promises to pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by AFCO which the insurance company retains.

**(9) NAMED INSURED:** If the insurance policy provides that the first named insured in the policy shall be responsible for payment of premiums and shall act on behalf of all other insureds with respect to any actions relating to the policy, then the same shall apply to this agreement. If such is not the case, then all insureds' names must be shown on this agreement unless a separate agreement specifies one insured to act in all matters for the others.

**(10) FINANCE CHARGE:** The finance charge shown in Block D begins to accrue as of the earliest policy effective date unless otherwise indicated in the Schedule of Policies.

**(11) AGREEMENT BECOMES A CONTRACT:** This agreement becomes a binding contract when AFCO mails a written acceptance to the insured.

**(12) DEFAULT CHARGES:** If the insured is late in making an installment payment to AFCO by more than the number of days specified by law the insured will pay to AFCO a delinquency charge not to exceed the maximum charge permitted by law.

**(13) DISHONORED CHECK:** If an insured's check is dishonored for any reason and if permitted by law, the insured will pay to AFCO a fee for expenses in processing that check not to exceed the amount permitted by law.

**(14) CANCELLATION:** AFCO may cancel the insurance policies after giving any required statutory notice and the unpaid balance due to AFCO shall be immediately payable by the insured if any of the following occur: a) the insured does not pay any installment according to the terms of this agreement; b) the insured does not comply with any of the terms of this agreement; c) the insured voluntarily or involuntarily becomes the subject of any type of insolvency proceedings excepting those under the Federal Bankruptcy laws; d) the insured stops doing business or ceases to be qualified to do business. AFCO at its option may enforce payment of this debt without recourse to the security given to AFCO. If cancellation occurs, the borrower agrees to pay a finance charge on the balance due at the contract rate of interest until that balance is paid in full or until such other date as required by law.

**(15) CANCELLATION CHARGES:** If AFCO cancels any insurance policy in accordance with the terms of this agreement, then the insured will pay AFCO a cancellation charge, if permitted, up to the limit specified by law.

**(16) MONEY RECEIVED AFTER NOTICE OF CANCELLATION:** Any payments made to AFCO after AFCO's notice of cancellation of the insurance policy has been mailed may be credited to the insured's account without affecting the acceleration of this agreement and without any liability or obligation on AFCO's part to request reinstatement of a cancelled insurance policy. Any money AFCO receives from an insurance company shall be credited to the amount due AFCO with any surplus being paid over to whomever is entitled to the money. No refund of less than \$1.00 shall be made. In the event that AFCO does request, on the insured's behalf, a reinstatement of the policy, such request does not guarantee that coverage under the policy will be reinstated or continued.

**(17) ATTORNEY FEES - COLLECTION EXPENSE:** If, for collection, this agreement is placed in the hands of an attorney who is not a salaried employee of AFCO, then the insured agrees to pay reasonable attorney fees and costs including those in the course of appeal as well as other expenses, as permitted by law or granted by the court.

**(18) REFUND CREDITS:** The insured will receive a refund credit of the finance charge if the account is voluntarily prepaid in full prior to the last installment due date as required or permitted by law. Any minimum or fully earned fees will be deducted as permitted by law.

**(19) INSURANCE AGENT OR BROKER:** The insurance agent or broker named in this agreement is the insured's agent, not AFCO's, and AFCO is not legally bound by anything the agent or broker represents to the insured orally or in writing.

**(20) NOT A CONDITION OF OBTAINING INSURANCE:** This agreement is not required as a condition of the insured obtaining insurance coverage.

**(21) SUCCESSORS AND ASSIGNS:** All legal rights given to AFCO shall benefit AFCO's successors and assigns. The insured will not assign the policies without AFCO's written consent except for the interest of mortgagees and loss payees.

**(22) LIMITATION OF LIABILITY:** The insured agrees that AFCO's liability for breach of any of the terms of this agreement or the wrongful exercise of any of its powers shall be limited to the amount of the principal balance outstanding except in the event of gross negligence or willful misconduct.

**(23) ENTIRE DOCUMENT - GOVERNING LAW:** This document is the entire agreement between AFCO and the insured and can only be changed in writing and signed by both parties except as stated in paragraph (5). The laws of the state indicated in the insured's address as set forth in the Schedule will govern this agreement unless otherwise stated in that Schedule.

TO Bind coverage  
10% down

+ sign finance agreement

O/N to insur coverage

~~\$58,500~~

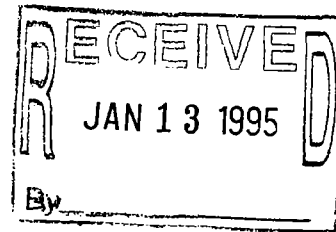
10,000
<u>48,500</u>
58,500

58,970

Paper work - late 17th

Tom Durten

Marsh & McLennan, Incorporated  
Independence Plaza  
1050 Seventeenth Street, Suite 900  
Denver, Colorado 80265  
Telephone 303 628 9111  
Fax 303 628 1822



MARSH &  
McLENNAN

**FAX TRANSMITTAL**

Fax No. 573-1012  
Urgent: X Routine:       

To: Mr. J.C. Sowers  
Firm: Dakota Mining Corporation  
Dept.:                       
City:                     

Date: 01/13/95 Time: 4:30  
No. Pages w/Cover: 5  
From: Shanan Gale  
Phone: 628-1838

**SUBJECT: POLLUTION QUOTATIONS**

Attached you will find a copy of the quote details issued by ECS Underwriting Inc. The terms and conditions are the same as last year. The only difference is the limit of liability for each policy; they were increased from \$306,000 to \$318,000. This was at the request of the state of South Dakota. Per your instructions, we will not pursue higher limits of liability on either policy.

Before we can bind both coverages, ECS needs to have 10% down and the finance agreement. The breakdown is as follows:

- \$10,000 = Pollution Legal Liability
- \$48,970 = First Party Pollution Clean Up Coverage
- \$58,970 = Total
- 10% = \$5,897

The check and the finance agreement need to be sent via overnight mail, i.e. FedEx on Monday, January 16, 1995 to:

ECS Underwriting Inc.  
520 Eagleview Boulevard  
Eaton, Pennsylvania 19341  
Phone: (610) 458-0570

If you have any questions regarding this quotation, please feel free to contact either Andrea or me.

SLC/cj

cc: Andrea Schroeder

The information contained in this facsimile message is confidential, may be privileged, and is intended only for the use of the individual or entity named above. If you, the reader of the message, are not the intended recipient, or the agent or employee responsible for delivering this transmission to the intended recipient, you are expressly prohibited from copying, disseminating, distributing or in any other way using any of the information contained in this facsimile message.

**VIA FAX 214/979-9885**

**JANUARY 12, 1995**

Mr. James P. O'Connor  
Marsh & McLennan, Inc.  
3400 Texas Commerce Tower  
2200 Ross Avenue  
Dallas, TX 75201-7900

**Re: Dakota Mining Corporation/Arco Mining Corporation  
Renewal Indication**

**Dear JIM:**

**This letter will confirm our communication of January 9, 1995 regarding the renewal indications for the above-captioned risk.**

**POLLUTION LEGAL LIABILITY:** The following constitutes our renewal indication for Pollution Legal Liability coverage for the following location(s):

**Gilt Edge Mine, Deadwood, South Dakota**

**Sudden and Gradual Pollution coverage will be provided using the Reliance National Indemnity Company Form (PLI-1(9/87)) (attached):**

**Limit of Liability:** \$318,000 per LOSS  
\$318,000 total all LOSSES

**Self-Insured Retention: \$ 50,000 per LOSS**

**Premium (25% minimum earned):** \$ 10,000

**The form will be modified as follows:**

1. It is agreed that Section IV. EXCLUSIONS is amended by the addition of the following exclusions:
- Radioactive Matter Exclusion: the actual, alleged or threatened exposure of person(s) or property to any radioactive matter except where specifically endorsed onto the Policy.
  - Non-Owned Disposal Site Exclusion: from waste or materials transported via automobile, aircraft, watercraft or rolling stock beyond the boundaries of the covered locations identified in the Declarations.

## der ECS Compiler

 Springer on [dmd.springer.com](http://dmd.springer.com)

Mr. James P. O'Connor  
January 12, 1995  
Page 2

- **Underground Tank and Underground Piping Exclusion:** the presence or use of any underground tank or underground piping to or at the covered locations identified in the Declarations.
  - **Absolute Asbestos Exclusion:** the actual, alleged or threatened exposure of person(s) or property to any asbestos matter.
  - **Superfund Exclusion:** locations designated as being either proposed for or on the National Priorities List or on any state "Superfund" list unless specifically scheduled onto the Policy by endorsement.
2. It is agreed that the following entity(ies) is(are) included as an Additional INSURED(S), but solely as respects liability arising out of ownership, operation, maintenance, or use of the locations covered under this Policy.

**ADDITIONAL INSURED(S)**

The State of South Dakota

**FIRST-PARTY POLLUTION CLEAN-UP COVERAGE:** The following constitutes our renewal indication for First-Party Pollution Clean-Up coverage for the following location(s):

Gilt Edge Mine, Deadwood, South Dakota

Sudden and Gradual Pollution coverage will be provided using the Reliance National Indemnity Company Pollution Clean-Up Policy Form (attached):

Limit of Liability:	\$318,000 per CLAIM \$318,000 total all CLAIMS
Self-Insured Retention:	\$ 50,000 per CLAIM
Premium (25% minimum earned):	\$ 48,970

The form will be modified as follows:

1. No coverage will be provided for CLAIMS arising from underground tanks and underground piping.
2. No coverage will be provided for CLAIMS arising from radioactive matter.

Mr. James P. O'Connor  
January 12, 1995  
Page 3

3. No coverage will be provided for CLAIMS arising from non-owned disposal sites.
4. No coverage will be provided for CLAIMS arising from asbestos matter.
5. No coverage will be provided for CLAIMS arising from the presence or required removal or abatement of lead paint.
6. It is agreed that a retroactive date of September 29, 1992 applies to this Policy. This Policy does not apply to CLEANUP COSTS arising from ENVIRONMENTAL DAMAGE existing prior to the September 29, 1992 date.

This indication is subject to the following:

1. A completed Reliance National Indemnity Company Pollution Legal Liability and First-Party Pollution Clean-Up applications signed and dated by the insured. (received)
2. A satisfactory Loss Control/Risk Assessment survey during the upcoming policy period at our expense.

GENERAL CONDITIONS: The above quotations are subject to the following:

- A. Payment Terms—We must receive 30% of the gross premium prior to binding and releasing policy numbers unless financing arranged by ECS. The balance of the premium is due 30 days from the effective date of coverage.

\* In order to facilitate premium payment, we can arrange for financing with an independent finance company at favorable terms (10% down payment prior to binding with 10 equal payments). We must receive the down payment and finance agreement prior to binding.

NOTE: 10% down payment applies only for ECS arranged financing.

- B. This quotation is strictly limited to the terms and conditions outlined above. Any other coverage extensions, deletions or changes requested in the submission are hereby rejected.

\* The finance agreement has not been received by Dabota  
Manning as of 1/16/95.

*JR*

Mr. James F. O'Connor  
January 12, 1995  
Page 4

100%?

C. Commission: 9%

The above outlined indication will be valid until January 18, 1994.

Sincerely,

Richard Sheldon  
Underwriter  
Environmental Risk Management Department

RS/dmd

Enclosure(s)

cc: Scott Britt  
Paul Murdoch

□

**BROHM MINING CORP.**

DATE

01/16/95

CHECK NO.

014738

VENDOR KEY

ECSUN

□

INVOICE #	INVOICE DATE	AMOUNT	DISCOUNT	VOUCHER #	NET AMOUNT
DEPOSIT *	01/16/95	5897.00	0.00	VOUCHER 002616	5897.00
* Pursuant to ECS letter dated 1/12/95 - FINANCING					
<b>TOTAL ▶</b>		5897.00	0.00		5897.00

**BROHM MINING CORP.**

BOX 485  
DEADWOOD, SD 57732  
(605) 578-2107

**NORWEST BANK SOUTH DAKOTA, N.A.**

721 MAIN  
DEADWOOD, SD 57732  
78-57/914

014738

DATE

01/16/95

CHECK NO.

014738

FIVE THOUSAND EIGHT HUNDRED NINETY-SEVEN AND NO/100 U.S. DOLLARS

PAY  
TO THE  
ORDER OF

ECS UNDERWRITING, INC.  
520 EAGLEVIEW BLVD.  
EXTON, PA 19341

\*\*\*\*\*\$5,897.00

*[Signature]*  
*[Signature]*

AUTHORIZED SIGNATURE

⑈014738⑈ ⑆091400570⑆ 0520024619⑈



USE THIS AIRBILL FOR SHIPMENTS WITHIN THE CONTINENTAL U.S.A., ALASKA AND HAWAII.  
USE THE INTERNATIONAL AIR WAYBILL FOR SHIPMENTS TO PUERTO RICO AND ALL NON U.S. LOCATIONS.  
QUESTIONS? CALL 800-238-5355 TOLL FREE.

AIRBILL  
PACKAGE  
TRACKING NUMBER

2609690602

4208M

2609690602

SENDER'S COPY

SENDER'S FEDERAL EXPRESS ACCOUNT NUMBER 1204-0309-8		Date 1/16/93	
From (Your Name) Please Print J.C. Sowers, III		Your Phone Number (Very Important) (303) 573-0821	
Company GAKOTA MINING CORPORATION		To (Recipient's Name) Please Print ECS Underwriting Inc.	
Street Address 410 17TH ST STE 2400		Exact Street Address (We Cannot Deliver to P.O. Boxes or P.O. Zip Codes) 520 Eagleview Boulevard	
City DENVER		City Eaton	
State CO		State Pennsylvania	
ZIP Required 80202		ZIP Required 19341	
YOUR INTERNAL BILLING REFERENCE INFORMATION (optional) (First 24 characters will appear on invoice.)			
IF HOLD AT FEDEX LOCATION, Print FEDEX Address Here			
City, State, ZIP Required			
PAYMENT 1 <input checked="" type="checkbox"/> Bill Sender 2 <input type="checkbox"/> Bill Recipient's FedEx Acct. No. 3 <input type="checkbox"/> Bill 3rd Party FedEx Acct. No. 4 <input type="checkbox"/> Bill Credit Card			
5 <input type="checkbox"/> Cash/Check Acct./Credit Card No. Exp. Date			
SERVICES (Check only one box)		DELIVERY AND SPECIAL HANDLING (Check services required)	
Priority Overnight (Delivery by next business morning) 11 <input type="checkbox"/> OTHER PACKAGING 12 <input type="checkbox"/> FEDEX LETTER 13 <input type="checkbox"/> FEDEX PAK 14 <input type="checkbox"/> FEDEX BOX 15 <input type="checkbox"/> FEDEX TUBE		Standard Overnight (Delivery by next business afternoon) 51 <input type="checkbox"/> OTHER PACKAGING 52 <input type="checkbox"/> FEDEX LETTER 53 <input type="checkbox"/> FEDEX PAK 54 <input type="checkbox"/> FEDEX BOX 55 <input type="checkbox"/> FEDEX TUBE	
Economy Two-Day (Delivery by second business morning) 20 <input type="checkbox"/> ECONOMY		Government Overnight (Delivery by next business afternoon) 40 <input type="checkbox"/> GOVT LETTER 41 <input type="checkbox"/> GOVT PAK	
Freight Service (For packages over 150 lbs) 70 <input type="checkbox"/> OVERNIGHT FREIGHT 80 <input type="checkbox"/> TWO-DAY FREIGHT		DIM SHIPMENTS 1 <input type="checkbox"/> Regular Ship 2 <input type="checkbox"/> Drop Ship 3 <input type="checkbox"/> B.S.S. 4 <input type="checkbox"/> Station	
1 Delivery commitment may be later in some areas. *Declared Value Limit \$500. Call for delivery schedule.		12 <input type="checkbox"/> HOLIDAY DELIVERY (if closed) (Extra charge)	
SERVICE CONDITIONS, DECLARED VALUE AND LIMIT OF LIABILITY: Use of this airbill constitutes your agreement to the service conditions in our current Service Guide, available upon request. See back of Service Guide for full details. Service conditions may vary for Government Overnight Service. See U.S. Government Service Guide for details. We warrant to the shipper for any claim in excess of \$100 per package. In the event of loss, damage, delay, non-delivery, or other service failure, we will reimburse the shipper for the actual loss, up to the declared value, if the shipper has declared a higher value. To declare a higher value, the shipper must complete and attach a Declaration of Value form to the package. The shipper's actual loss for a timely claim will be the lesser of the declared value or the actual loss. The shipper's actual loss for a timely claim will be the lesser of the declared value or the actual loss. The shipper's actual loss for a timely claim will be the lesser of the declared value or the actual loss. Federal Express Use: Base Charges Declared Value Charge Other 1 Other 2 Other 3 Other 4 Other 5 Other 6 Other 7 Other 8 Other 9 Other 10 Other 11 Other 12 Other 13 Other 14 Other 15 Other 16 Other 17 Other 18 Other 19 Other 20 Other 21 Other 22 Other 23 Other 24 Other 25 Other 26 Other 27 Other 28 Other 29 Other 30 Other 31 Other 32 Other 33 Other 34 Other 35 Other 36 Other 37 Other 38 Other 39 Other 40 Other 41 Other 42 Other 43 Other 44 Other 45 Other 46 Other 47 Other 48 Other 49 Other 50 Other 51 Other 52 Other 53 Other 54 Other 55 Other 56 Other 57 Other 58 Other 59 Other 60 Other 61 Other 62 Other 63 Other 64 Other 65 Other 66 Other 67 Other 68 Other 69 Other 70 Other 71 Other 72 Other 73 Other 74 Other 75 Other 76 Other 77 Other 78 Other 79 Other 80 Other 81 Other 82 Other 83 Other 84 Other 85 Other 86 Other 87 Other 88 Other 89 Other 90 Other 91 Other 92 Other 93 Other 94 Other 95 Other 96 Other 97 Other 98 Other 99 Other 100 Other 101 Other 102 Other 103 Other 104 Other 105 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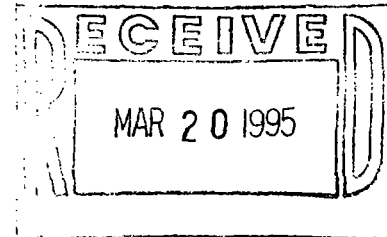
Marsh & McLennan, Incorporated  
Independence Plaza  
1050 Seventeenth Street, Suite 900  
Denver, Colorado 80265  
Telephone 303 628 9111  
Fax 303 628 1822

COPY

March 17, 1995

MARSH &  
MCLENNAN

Ms. Joy Shirley  
National Broking Division  
MARSH & MCLENNAN, INCORPORATED  
3400 Texas Commerce Tower  
2200 Ross Avenue  
Dallas, Texas 75201-7900



RE: DAKOTA MINING CORPORATION/BROHM MINING CORPORATION  
FIRST PARTY POLLUTION CLEAN-UP  
RELIANCE NATIONAL INDEMNITY COMPANY  
POLICY NO.: NTD250951402  
POLICY PERIOD: JANUARY 18, 1995 TO JANUARY 18, 1996

Dear Joy:

We have reviewed the captioned policy and everything is in order except the following:

- The Additional Insured endorsement adding the State of South Dakota was not included on the renewal policy. I have attached Endorsement #3 from the expired policy. Please add this endorsement to the renewal policy.

Joy, we look forward to receiving this endorsement in 60 days.

Sincerely,

A handwritten signature in cursive script, appearing to read "SMLC".

Shanan L.M. Cale  
Client Representative

SLC/ci

Enclosure

cc: J.C. Sowers - Dakota Mining ✓  
Andrea J.S. Schroeder - MMI, Denver

ENDORSEMENT #3

This endorsement, effective 12:01 a.m., January 18, 1994 forms a part of Policy No. NTD250951401 issued to DAKOTA MINING CORPORATION/BROHM MINING CORP. by Planet Insurance Company.

It is hereby agreed upon that the following entity is included as an Additional Insured, but solely as respects CLAIMS arising out of Dakota Mining Corporation/Brohm Mining Corporation's ownership, operation, maintenance or use of the location covered under this policy.

ADDITIONAL INSURED

The State of South Dakota

All other terms and conditions remain the same.



---

(Authorized Representative)

**INSURANCE SUMMARY**  
**DAKOTA MINING CORPORATION**  
**POLLUTION LEGAL LIABILITY**

This account summary is a brief outline of the coverages afforded under your insurance policies. Since it is information only, it should not be construed to constitute the entire insurance contract. As your policies may contain additional coverages and restrictions, the exact wording should be consulted.

Presented by:

Andrea J.S. Schroeder, CPCU, ARM, Assistant Vice President  
Shanan Cale, Client Representative

**MARSH & McLENNAN, INCORPORATED**  
Independence Plaza  
1050 Seventeenth Street, Suite 900  
Denver, Colorado 80265  
(303) 628-9111

March, 1995

**MARSH &  
McLENNAN**

**DAKOTA MINING**

**POLLUTION LEGAL LIABILITY**

**POLICY NO.:** NTA250959302  
**POLICY PERIOD:** JANUARY 18, 1995 TO JANUARY 18, 1996  
**INSURER:** RELIANCE NATIONAL INDEMNITY COMPANY -  
ECS UNDERWRITING  
**PREMIUM:** \$ 10,000

**LOCATION:** Gilt Edge Mine  
Deadwood, South Dakota

**INSURING AGREEMENT:** To indemnify the insured against monetary awards, settlements of compensatory damages arising from Bodily Injury or Property Damage including investigation, adjustment or defense of claims for compensatory damages as are suit of claims first made during this policy period.

**COVERAGE:** **CLAIMS-MADE**  
\$ 318,000 Limit of Liability Per Loss  
\$ 318,000 Limit of Liability Total All Losses  
\$ 50,000 Self Insured Retention Per Loss

**EXCLUSIONS:**

- Underground Tanks, and Underground Piping
- Radioactive Matter
- Non-Owned Disposal Sites
- Asbestos
- Known Pollution Conditions Existing prior to Policy Conditions
- Ownership, operation of any "offshore facility", or "deep waterport"
- Liability of others assumed under contract
- Pollution arising as a result of Bodily Injury or Property Damage at Gilt Edge Mine
- Clean up costs incurred for remediation of soil and/or groundwater contamination to or at Gilt Edge Mine
- Ownership, maintenance, use, operation loading or unloading of any automobile, aircraft, watercraft or rolling stock
- Pollution's condition emanating from Gilt Edge Mine once this location is sold, leased, given away, abandoned or operational control has been relinquished

**DAKOTA MINING**

**POLLUTION LEGAL LIABILITY (Continued)**

**EXCLUSIONS:**  
**(Continued)**

- Nuclear energy or material
- Deliberate non-compliance with any regulation
- Acid rain

**CONDITIONS:**

- Additional Insured - State of South Dakota
- 30 Day Notice of Cancellation; 10 Days Non-Payment of Premium

**MINIMUM**

**EARNED PREMIUM:**       \$     10,000

RELIANCE NATIONAL INDEMNITY COMPANY  
MADISON, WISCONSIN

NAMED DAKOTA MINING CORPORATION/BROHM MINING CORPORATION  
INSURED P. O. Box 485  
AND Deadwood, SD 57732  
POST OFFICE

POLLUTION LEGAL LIABILITY  
DECLARATIONS

THIS IS A CLAIMS-MADE POLICY--PLEASE READ CAREFULLY

POLICY NUMBER: NTA250959302

Item 1: NAMED INSURED DAKOTA MINING CORPORATION/BROHM MINING CORPORATION

ADDRESS P. O. Box 485

Deadwood, SD 57732

Item 2: POLICY PERIOD

FROM January 18, 1995 TO January 18, 1996  
12:01 A.M. standard time at the address of the NAMED INSURED shown  
above.

Item 3: LIMIT OF LIABILITY, up to \$318,000 each LOSS

\$318,000 TOTAL FOR ALL LOSSES

Item 4: RETENTION \$50,000 each LOSS

Item 5: COVERED LOCATION(S): Gild Edge Mine  
Deadwood, South Dakota

Item 6: POLICY PREMIUM \$10,000

Item 7: EXTENDED DISCOVERY CLAUSE DATE: January 18, 1993

ENDORSEMENTS ATTACHED TO THIS POLICY: Endorsements #1,#2

Broker: Marsh & McLennan, Inc.  
3400 Texas Commerce Tower  
2200 Ross Avenue  
Dallas, TX 72201-7900



Authorized Representative RMS/lvt 01/31/95

**ENDORSEMENT #1**

This endorsement, effective 12:01 a.m., January 18, 1995 forms a part of Policy No. NTA250959302 issued to DAKOTA MINING CORPORATION/BROHM MINING CORPORATION by Reliance National Indemnity Company.

**STANDARD ENDORSEMENT**

In consideration of the premium paid, it is agreed that Section IV. EXCLUSIONS is amended by the addition of the following exclusions:

- Radioactive Matter Exclusion: the actual, alleged or threatened exposure of person(s) or property to any radioactive matter except where specifically endorsed onto the Policy.
- Non-Owned Disposal Site Exclusion: from waste or materials transported via automobile, aircraft, watercraft or rolling stock beyond the boundaries of the covered locations identified in the Declarations.
- Underground Tank and Underground Piping Exclusion: the presence or use of any underground tank or underground piping to or at the covered locations identified in the Declarations.
- Absolute Asbestos Exclusion: the actual, alleged or threatened exposure of person(s) or property to any asbestos matter.
- Superfund Exclusion: locations designated as being either proposed for or on the National Priorities List or on any state "Superfund" list unless specifically scheduled onto the Policy by endorsement.

All other terms and conditions remain the same.



---

(Authorized Representative)

RMS/lvt (01/31/95)

RNENVL-PLL-100 (6/94)

**ENDORSEMENT #2**

This endorsement, effective 12:01 a.m., January 18, 1995 forms a part of Policy No. NTA250959302 issued to DAKOTA MINING CORPORATION/BROHM MINING CORPORATION by Reliance National Indemnity Company.

**ADDITIONAL INSURED**

In consideration of the premium paid, it is agreed that the following entity(ies) is(are) included as an Additional INSURED(S), but solely as respects liability arising out of ownership, operation, maintenance, or use of the locations covered under this Policy.

**ADDITIONAL INSURED(S)**

The State of South Dakota

All other terms and conditions remain the same.



---

(Authorized Representative)

RMS/lvt (01/31/95)

RNENVL-PLL-112 (6/94)

**RELIANCE NATIONAL INDEMNITY COMPANY**  
**MADISON, WISCONSIN**

(A Stock Insurance Company Herein Called the Company)

**POLLUTION LEGAL LIABILITY**

This is a Claims-Made Policy—Please Read Carefully

In consideration of the payment of the premium, in reliance upon the statements in the declarations and application made a part hereof and subject to all the terms of this policy, the Company agrees with the NAMED INSURED as follows:

**I. INSURING AGREEMENT**

To indemnify the INSURED against LOSS the INSURED has or will become legally obligated to pay as a result of CLAIMS first made against the INSURED and reported to the Company, in writing, during the POLICY PERIOD, or EXTENDED DISCOVERY PERIOD if applicable, for POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.

**II. DEFINITIONS**

- A. INSURED means the NAMED INSURED and any director, officer, partner or employee thereof while acting within the scope of his/her duties as such.
- B. LOSS means:
  - 1. monetary awards or settlements of compensatory damages arising from:
    - a. BODILY INJURY as defined herein, or
    - b. PROPERTY DAMAGE as defined herein, and
  - 2. costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages.
- C. BODILY INJURY means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom caused by POLLUTION CONDITIONS emanating from the locations designated in Item 5 of the Declarations.
- D. PROPERTY DAMAGE means:
  - 1. physical injury to or destruction of tangible property including the resulting loss of use thereof,
  - 2. clean up costs,
  - 3. loss of use of tangible property that has not been physically injured or destroyed;  
provided that such physical injury or destruction, clean up costs and/or loss of use are caused by POLLUTION CONDITIONS emanating from locations designated in Item 5 of the Declarations.
- E. POLICY PERIOD means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation.
- F. POLLUTION CONDITIONS means the discharge, dispersal, release or escape of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in BODILY INJURY or PROPERTY DAMAGE.
- G. NAMED INSURED means the person or entity designated as such in Item 1 of the Declarations.
- H. AUTOMOBILE means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached thereto.
- I. CLAIM means the assertion of a legal right alleging liability or responsibility on the part of the NAMED INSURED, arising out of POLLUTION CONDITIONS, and shall include but not necessarily be limited to lawsuits or petitions filed against the NAMED INSURED.

**III. TERRITORY**

This policy only applies to claims or suits arising from POLLUTION CONDITIONS in the United States, its territories or possessions or Canada and made or brought in the United States, its territories or possessions or in Canada.

**IV. EXCLUSIONS**

This insurance does not apply to LOSS:

- 1. arising from POLLUTION CONDITIONS existing prior to the inception of this policy, if any officer, director, partner or other employee of the NAMED INSURED responsible for environmental affairs, control or compliance knew or could have reasonably foreseen that such POLLUTION CONDITIONS could have been expected to give rise to a claim;
- 2. from claims or suits seeking non-pecuniary relief;
- 3. arising from the ownership or operation of any "offshore facility" as defined in the Outer Continental Shelf Lands Act Amendments of 1978 or the Clean Water Act of 1977 as amended in 1978, or any "deepwater port" as defined in the Deepwater Port Act of 1974, as amended, nor shall there be any coverage for liability resulting from emissions of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well of any nature whatsoever;

4. arising under any worker's compensation, unemployment compensation or disability benefits law or similar law;
5. arising from injury to any employee of the INSURED if such injury occurs during and in the course of said employment;
6. arising as a result of liability of others assumed by the INSURED under any contract or agreement;
7. arising as a result of PROPERTY DAMAGE or BODILY INJURY to or at the location(s) designated in Item 5 of the Declarations, even if such PROPERTY DAMAGE or BODILY INJURY is incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
8. arising from clean up costs incurred for the remediation of soil and/or groundwater contamination to or at the location(s) designated in Item 5 of the Declarations, even if such clean up costs are incurred to avoid or mitigate BODILY INJURY or PROPERTY DAMAGE which may be covered under this policy;
9. arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock;
10. arising from POLLUTION CONDITIONS emanating from the location(s) designated in Item 5 of the Declarations, once such location(s) are sold, leased, given away, abandoned or operational control has been relinquished;
11. A. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE
  1. with respect to which an INSURED under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  2. resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the INSURED is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Liability Coverage, to BODILY INJURY or PROPERTY DAMAGE resulting from the HAZARDOUS PROPERTIES of NUCLEAR MATERIAL, if
  1. the NUCLEAR MATERIAL (a) is at any NUCLEAR FACILITY owned by, or operated by or on behalf of, an INSURED or (b) has been discharged or dispersed therefrom;
  2. the NUCLEAR MATERIAL is contained in SPENT FUEL or WASTE at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an INSURED; or
  3. the BODILY INJURY or PROPERTY DAMAGE arises out of the furnishing by an INSURED of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any NUCLEAR FACILITY, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to PROPERTY DAMAGE to such NUCLEAR FACILITY and any property thereat.
- C. As used in this exclusion:

"HAZARDOUS PROPERTIES" include radioactive, toxic or explosive properties;

"NUCLEAR MATERIAL" means SOURCE MATERIAL, SPECIAL NUCLEAR MATERIAL or BYPRODUCT MATERIAL;

"SOURCE MATERIAL", "SPECIAL NUCLEAR MATERIAL", and "BYPRODUCT MATERIAL" have the meanings given them in the Atomic Energy Act of 1954 or in any law, amendatory thereof;

"SPENT FUEL" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a NUCLEAR REACTOR;

"WASTE" means any waste material (1) containing BYPRODUCT MATERIAL and (2) resulting from the operation by any person or organization of any NUCLEAR FACILITY included within the definition of NUCLEAR FACILITY under paragraph (a) or (b) thereof;

"NUCLEAR FACILITY" means

  1. any NUCLEAR REACTOR,
  2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing SPENT FUEL, or (3) handling, processing or packaging WASTE,
  3. any equipment or device used for the processing, fabricating or alloying of SPECIAL NUCLEAR MATERIAL if any time the total amount of such material in the custody of the INSURED at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
  4. any structure, basin, excavation, premises or place prepared or used for the storage of disposal of WASTE,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"NUCLEAR REACTOR" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"PROPERTY DAMAGE" includes all forms of radioactive contamination of property;
12. arising out of goods or products manufactured, sold, handled, distributed, altered or repaired by the INSURED or by others trading under his name including any container thereof, or any reliance upon a representation of warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs away from premises owned, operated or leased to the INSURED or after physical possession of such has been relinquished to others;

13. arising out of operations performed by or on behalf of the INSURED or reliance upon a representation of warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after such operations have been completed or abandoned and occurs away from premises owned, operated or leased to the INSURED. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:
  - a. When all operations to be performed by or on behalf of the INSURED under the contract have been completed,
  - b. When all operations to be performed by or on behalf of the INSURED at the site of the operations have been completed, or
  - c. When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
14. due to PROPERTY DAMAGE to goods or products manufactured, sold, handled or distributed by the INSURED arising out of such goods or products or any part thereof, or due to PROPERTY DAMAGE to work performed by or on behalf of the INSURED arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
15. arising from POLLUTION CONDITIONS based upon or attributable to the INSURED's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body;
16. arising from POLLUTION CONDITIONS based upon or attributable to acid rain conditions;
17. arising from any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

#### V. EXTENDED DISCOVERY PERIOD

The provisions of this clause shall only apply if a period of at least 12 months has elapsed from the date set forth in Item 7 of the Declarations when the NAMED INSURED seeks to exercise the option hereunder.

The NAMED INSURED shall be entitled to an extension of this coverage on non-renewal or cancellation of the policy subject to the following terms and conditions:

1. Where cancellation or non-renewal is by the Company, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.
2. Where cancellation or non-renewal is by the NAMED INSURED, the NAMED INSURED shall be entitled to purchase 12 months extension from the date of cancellation or expiration of the policy upon payment of an additional premium of not more than 200% of the premium shown in Item 6 of the Declarations.

The extension of coverage granted hereunder shall only apply as respects POLLUTION CONDITIONS existing as of or prior to the date of expiration or cancellation of this policy, and otherwise covered by this policy. It is a condition precedent to the operation of the rights granted under this clause that payment of the appropriate premium shall be made not later than ten days after expiration in the case of non-renewal or prior to cancellation in the case of cancellation.

For purposes of this clause the quotation of different terms and conditions by the Company shall not be construed as non-renewal.

#### VI. LIMIT OF LIABILITY AND RETENTION

This policy is to pay 100% of any LOSS in excess of the retention amount stated in Item 4 of the Declarations. The retention amount is to be borne by the INSURED and is not to be insured. All LOSS arising out of the same or related POLLUTION CONDITIONS at any one location shall be considered a single LOSS, and the limit of liability shown in Item 3 of the Declarations as applicable to "each loss" shall apply.

Subject to the foregoing, the Company's total liability for all LOSSES from claims first made against the INSURED and reported in writing to the Company during the POLICY PERIOD and including the EXTENDED DISCOVERY PERIOD, if applicable, shall not exceed the limit of liability shown in Item 3 of the Declarations as applicable to the "Total for all LOSSES".

#### VII. CLAIM OR SUIT PROVISIONS

1. In the event of a claim or suit, immediate written or oral notice containing particulars sufficient to identify the INSURED and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents. In the event of oral notice, the INSURED agrees to furnish a written report as soon as possible.
2. If claim is made or suit is instituted against the INSURED, the INSURED shall immediately forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED'S representative.
3. No costs, charges or expenses shall be incurred without the Company's consent which shall not be unreasonably withheld. The Company shall have the right but not the duty to designate legal counsel to associate in the investigation of claims and the defense of suits. The INSURED shall not admit liability or settle any claim or suit without the Company's consent. If the Company recommends a settlement of a claim or suit:
  - a. for an amount within the retention and the INSURED refuses such settlement, the Company shall not be liable for any LOSS in excess of the retention;
  - b. for a total amount in excess of the balance of the retention and the INSURED refuses such settlement, the Company's liability for LOSS shall be limited to that portion of the recommended settlement and the costs, charges and expenses as of the INSURED's refusal which exceed the retention and fall within the Limit of Liability.

4. The Company shall have the right but not the duty to assume the adjustment of any claim or the defense of any suit. In case of the exercise of this right, the INSURED, on demand of the Company, shall promptly reimburse the Company for any element of LOSS falling within the INSURED's retentions. The INSURED shall assist and cooperate with the Company.

### VIII. CONDITIONS

1. **INSPECTION AND AUDIT**—The Company shall be permitted but not obligated to inspect, sample and monitor on a continuing basis the INSURED'S property or operations, at any time. Neither the Company's right to make inspections, sample and monitor nor the actual undertaking thereof nor any report thereon shall constitute an undertaking, on behalf of the INSURED or others, to determine or warrant that property or operations are safe, healthful or conform to acceptable engineering practice or are in compliance with any law, rule or regulation.
2. **CANCELLATION**—This policy may be cancelled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the NAMED INSURED at the address shown in this policy, written notice stating when not less than 30 days (10 days for non-payment of premium) thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by the Company shall be equivalent to mailing.

If the NAMED INSURED cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

3. **DECLARATIONS**—By acceptance of this policy, the INSURED agrees that the statements in the declarations and application are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.
4. **ACTION AGAINST COMPANY**—No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the INSURED'S obligation to pay shall have been finally determined either by judgment against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the INSURED to determine the INSURED'S liability, nor shall the Company be impleaded by the INSURED or his legal representative. Bankruptcy or insolvency of the INSURED or of the INSURED'S estate shall not relieve the Company of any of its obligations hereunder.

5. **ASSIGNMENT**—Assignment of interest under this policy shall not bind the Company until its consent is endorsed thereon.
6. **SUBROGATION**—In the event of any payment under this policy, the Company shall be subrogated to all the INSURED'S rights of recovery therefor against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after loss to prejudice such rights.
7. **CHANGES**—Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.
8. **SOLE AGENT**—The INSURED first named in Item 1 of the declarations shall act on behalf of all INSUREDS for the payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this policy, giving and receiving notice of cancellation or non-renewal, and the exercise of the rights provided in the EXTENDED DISCOVERY PERIOD clause.
9. **CHOICE OF LAW**—In the event that the INSURED and the Company dispute the meaning, interpretation or operation of any term, condition, definition or provision of this policy resulting in litigation, arbitration or other form of dispute resolution, the INSURED and the Company agree that the law of the State of New York shall apply and that all litigation, arbitration or other form of dispute resolution shall take place in New York. In the event the INSURED and the Company agree to resolve their dispute by arbitration any such arbitration shall be in accordance with the commercial arbitration rules of the American Arbitration Association.
10. **OTHER INSURANCE**—Where other valid and collectable insurance is available to the NAMED INSURED for LOSSES covered under the terms and conditions of the policy the Company's obligation to the INSURED is as follows:
- This insurance shall apply as excess insurance over any other valid and collectable insurance be it primary or excess.
  - Where this insurance is excess over other valid and collectable insurance, the Company will pay only its share of the amount of LOSS, if any, that exceeds the total amount that all such other insurance will pay for the LOSS in the absence of this insurance.

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary and countersigned on the declarations page by a duly authorized agent of the Company.

*Linda C. Kohn*

*John M. Dunt*

Secretary

President

RELIANCE NATIONAL INDEMNITY COMPANY  
MADISON, WISCONSIN

APPLICATION FOR POLLUTION LEGAL LIABILITY INSURANCE  
(Include 10K report, annual report, and flow chart of process if available.)

THIS IS AN APPLICATION FOR A CLAIMS MADE POLICY

1. NAMED INSURED (Include All Subsidiary Companies to be Covered): \_\_\_\_\_

Brohm Mining Corporation

CONTACT NAME: Dale Shay TITLE: Director of Environmental Affairs

EPA IDENTIFICATION NUMBER(S): N/A

POST OFFICE ADDRESS: P.O. Box 485, Deadwood, S.D. 57732

TELEPHONE: ( 605 ) 578-2107

LOCATIONS TO BE COVERED: Gilt Edge Mine

2. NAMED INSURED IS:  
Partnership ☒ Corporation ☐ Joint Venture ☐ Other \_\_\_\_\_

3. HOW LONG HAS THE NAMED INSURED BEEN IN BUSINESS? Since 1987

4. SALES:

A) ESTIMATED (Ensuing Year): 1995 \$4.5 million

B) LAST 5 YEARS: 19 94 \$1.0 million 19 93 \$3.7 million 19 92 \$9.4 million 19 91 \$11.1 million 19 90 \$12.7 million

5. DESCRIBE THE PAST USES OF THE LOCATION(S), INCLUDING ANY INACTIVE OR CLOSED LANDFILLS OR SURFACE IMPOUNDMENTS:

Open pit heap leach gold and silver mine started in 1987. Gold and silver recovery by Merrill-Crowe system. Historic underground mining and associated milling occurred from late 1800's to late 1930's.

6. DESCRIBE THE FACILITY OPERATIONS, INCLUDING MANUFACTURING OR PRODUCTION PROCESSES AND ANY WASTE TREATMENT OR DISPOSAL ACTIVITIES. (Attach A Site Diagram Outlining Buildings, Storage Areas, Tanks, Etc.):

No waste treatment as disposal activities are applicable.

7. PLEASE LIST: A. RAW MATERIALS USED AT LOCATION: N/A  
 B. PROCESS (MATERIALS USED AT LOCATION)  
 (Plating agents, degreasers, heat treating agents, cleaning solvents, etc.):  
 (Please use additional sheet if space provided is insufficient.)

DESCRIPTION	QUANTITY OF MATERIAL			METHOD OF STORAGE	
	PER YEAR	ANY ONE TIME	DRUM	UNDERGROUND TANK	ABOVEGROUND TANK
B - See list attached					

8. HAS THERE BEEN ANY CHANGE IN PROCESS DURING THE LAST 5 YEARS THAT HAS ALTERED (LESSENED OR INCREASED) THE RISK OF POLLUTION LIABILITY? YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

9. DO YOU HAVE AN ENVIRONMENTAL SAFETY COMMITTEE OR ANY EMPLOYEES VESTED WITH SPECIFIC RESPONSIBILITY FOR ENVIRONMENTAL CONTROL? X YES NO

IF SO, DESCRIBE THEIR DUTIES AND TO WHOM THEY REPORT: The Director of Environmental Affairs and his assistant report to the General Superintendent who has overall site responsibility for production, administrative and environmental matters.

10. ARE THERE ANY STATUTES, STANDARDS, OR OTHER CITY, STATE AND FEDERAL REGULATIONS RELATING TO THE PROTECTION OF THE ENVIRONMENT WHICH APPLY TO ANY LOCATION WITH WHICH YOU CANNOT AT PRESENT COMPLY? YES X NO

IF SO, GIVE DETAILS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11. EFFLUENT TREATMENT AND DISCHARGE:

COMPOSITION	TREATMENT PROCESS	DISCHARGE TO	HOW MANY YEARS	QTY/YR
N/A				

12. SEMI-SOLID AND SOLID WASTE DISPOSAL:

A. ON-SITE DISPOSAL (Landfill, Surface Impoundment, Deepwell Injection, Etc.)

COMPOSITION	QTY/YR	DISPOSAL METHOD	EPA/STATE PERMITTED
N/A			

FOR LANDFILLS OR SURFACE IMPOUNDMENTS, INDICATE SIZE, TYPE OF LINER, ANY MONITORING WELLS, LEACHATE COLLECTION.

B. OFF-SITE DISPOSAL

<u>COMPOSITION</u>	<u>ON-SITE STORAGE METHOD</u>	<u>LENGTH OF STORAGE</u>	<u>QTY/YR</u>	<u>DISPOSAL FACILITY</u>
<u>N/A</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

13. TRANSPORTER INFORMATION:

	<u>1</u>	<u>2</u>	<u>3</u>
NAME OF WASTE HAULER	<u>N/A</u>	<u></u>	<u></u>
EPA ID #	<u></u>	<u></u>	<u></u>
STATE ID #	<u></u>	<u></u>	<u></u>

14. AIR EMISSIONS:

NATURE:

COMPOSITION:

TOXIC GASES & VAPORS	<u>N/A</u>
IRRITANT GASES	<u>N/A</u>
MALODOROUS GASES & VAPORS	<u>N/A</u>
ASPHYXIANTS	<u>N/A</u>
AEROSOLS	<u>N/A</u>
DUST & ASH	<u>N/A</u>
VOLUME PER YEAR (WHERE KNOWN)	<u>N/A</u>

DESCRIBE METHODS AND EQUIPMENT USED FOR COLLECTION AND TREATMENT OF POLLUTING AIR EMISSIONS:

N/A

15. THE LOCATION'S SURROUNDING ENVIRONMENT:

A. PLEASE DESCRIBE THE PROPERTIES IMMEDIATELY ADJACENT TO THE LOCATION(S) TO BE COVERED:

Blackhills National Forest and Associated Forest Plant Community

B. PLEASE DESCRIBE THE NATURE OF OTHER INDUSTRIES LOCATED WITHIN A RADIUS OF 3 MILES:

Homestake Mining Company (the oldest gold mine in North America) is located approximately 3 miles to the North West.

16. ADDITIONAL INFORMATION: (SEE INFORMATION PREVIOUSLY SUBMITTED)

- A. PLEASE ATTACH THE LATEST MONITORING RESULTS FOR FACILITY EFFLUENT DISCHARGES, AIR EMISSIONS, LANDFILLS OR SURFACE IMPOUNDMENTS.
- B. PLEASE ATTACH A SCHEDULE OF ALL STORAGE TANKS INCLUDING THE FOLLOWING INFORMATION: CAPACITY, AGE, ABOVE OR BELOW GROUND, SPILL CONTAINMENT METHODS, CONTENTS, STEEL OR FIBERGLASS, TYPE OF INVENTORY CONTROL, TESTING METHODS.

17. RECORD:

- A. HAVE YOU DURING THE LAST 5 YEARS BEEN PROSECUTED FOR CONTRAVENTION OF ANY STANDARD OR LAW RELATING TO THE RELEASE FROM THE LOCATION OF A SUBSTANCE INTO SEWERS, RIVERS, SEA, AIR OR INTO LAND?        YES   X   NO

IF YES, GIVE DETAILS: \_\_\_\_\_

- B. PLEASE DESCRIBE ANY POLLUTION CLAIMS DURING THE LAST 5 YEARS (IF NONE, PLEASE SO STATE): \_\_\_\_\_

None

- C. AT THE TIME OF SIGNING THIS APPLICATION, ARE YOU AWARE OF ANY CIRCUMSTANCES WHICH MAY REASONABLY BE EXPECTED TO GIVE RISE TO A CLAIM UNDER THIS POLICY?        YES   X   NO

IF YES, GIVE DETAILS: \_\_\_\_\_

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

\*NOTICE TO NY APPLICANTS:

Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any false material thereto, commits a fraudulent insurance act, which is a crime.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF COMPANY'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO THE POLICY.

Applicant: Brohm Mining Corporation

By: J.C. Sowers, III (Title) Treasurer Date: 12/28/94

Agent/Broker: Marsh & McLennan, Incorporated

Address: 1050 17th Street, Suite 900

Denver, Colorado 80265

# 7B-LIST OF PROCESS MATERIALS USED AT GILT EDGE

<u>Description</u>	<u>Per Year</u>	<u>Method of Any One Time</u>	<u>Storage</u>
Borax	23,400#	450# per week	Bag
Sodium Nitrate	4,680#	90# per week	Bag
Soda Ash	4,680#	90# per week	Bag
D.E.	60,800#	39# per week	Bags
L. P. Gas	36,365 gal.	-	Above
Zinc	72,800#	1,400# per week	Cans
Sulfuric Acid	50 gal.	-	glass container/drum
Lime		(Crusher is down)	
Caustic	(5) 55 gal. Drum per year		
Sodium Cyanide	312,000#	6,000# per week	Flow Bins
Peroxide		500,000#/1 lb./ton of ore	
Descalent	10,800 gallons per year		
Fluorospars	4,680#	450# per week	Bag
Lead Nitrate	1,500#	4# per day	Drums

Marsh & McLennan, Incorporated  
Independence Plaza  
1050 Seventeenth Street, Suite 900  
Denver, Colorado 80265  
Telephone 303 628 9111  
Fax 303 628 1822

*file in policy*

MAY - 8 1995

MARSH &  
MCLENNAN

May 4, 1995

Mr. J.C. Sowers  
DAKOTA MINING CORPORATION  
410 Seventeenth Street, Suite 2450  
Denver, Colorado 80202

RE: POLICY NO.: NTD250951402  
POLICY PERIOD: JANUARY 18, 1995 TO JANUARY 18, 1996  
FIRST PARTY POLLUTION CLEAN UP

Dear J.C.:

Enclosed is Endorsement #4 which adds the State of South Dakota as an additional insured to the policy. A copy of this endorsement has been forwarded to the State of South Dakota.

Please review this endorsement and incorporate it into your files as it now forms part of the policy. If there are any questions, please contact our office.

Sincerely,

*Cherice Tracy*  
Cherice M. Tracy  
Client Representative

CMT/ci

Enclosure

cc: Andrea J.S. Schroeder - MMI, Denver

**ENDORSEMENT #4**

This endorsement, effective 12:01 a.m., January 18, 1995 forms a part of Policy No. NTD250951402 issued to DAKOTA MINING CORPORATION/BROHM MINING CORPORATION by Reliance National Indemnity Company.

In consideration of the premium paid, it is agreed that the following entity(ies) is(are) included as Additional Insured(s), but solely as respects CLAIMS arising out of the ownership, operation, maintenance or use of the locations covered under this Policy.

ADDITIONAL INSURED(S)

The State of South Dakota

All other terms and conditions remain the same.



---

(Authorized Representative)

RMS/jcc 4/14/95

Marsh & McLennan, Incorporated  
Independence Plaza  
1050 Seventeenth Street, Suite 900  
Denver, Colorado 80265  
Telephone 303 628 9111  
Fax 303 628 1822

GOPY

May 4, 1995

MARSH &  
MCLENNAN

STATE OF SOUTH DAKOTA  
Department of Environment & Natural Resources  
523 East Capital  
Pierre, South Dakota 57501-3138

RE: DAKOTA MINING CORPORATION/BROHM MINING CORPORATION  
POLICY PERIOD: JANUARY 18, 1995 TO JANUARY 18, 1996  
POLICY NO.: NTD250951402

To Whom It May Concern:

Enclosed is a copy of the endorsement, which adds the State of South Dakota as an additional insured to the policy.

If there is additional information that is needed, or if we can be of further assistance, please contact our office.

Sincerely,

Cherice M. Tracy  
Client Representative

CMT/ci

Enclosure

cc: J.C. Sowers - Dakota Mining Corporation/Brohm Mining Corporation  
Andrea J.S. Schroeder - MMI, Denver

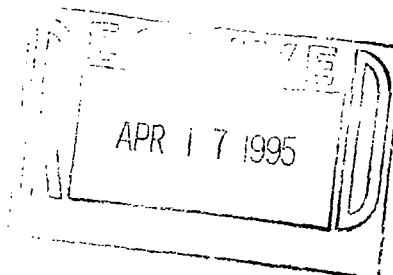
# Dakota

DAKOTA MINING CORPORATION

VIA FAX (605) 578-2586

April 11, 1995

Mr. Robert E. Kaul, President  
Norwest Bank South Dakota, N.A.  
721 Main  
Deadwood, SD 57732



*Donna,  
See me  
on this.  
Please keep this  
if you info  
on what needs  
to be done  
on our future  
CD.*

Re: Brohm Mining Corp. new account and CD

Dear Bob:

As we discussed on the phone, please consider this as your authorization to open a money market savings account and issue a new certificate of deposit in the name of Brohm Mining Corp. and South Dakota Department of Environment and Natural Resources ("SDDENR"). The initial deposit is check #691373 issued by First Bank of South Dakota dated 4/8/95. I request we open the accounts as follows:

Money Market  
Certificate of Deposit  
Total

\$ 1,051.92

\$ 5,900.00

\$ 6,951.92

*5900.00 certificate*

The CD should be scheduled to mature on July 14, 1995 as should the next two CD's that we would purchase over the next two months. When the July interest check is received, we should have in excess of \$25,000 with which to open the investment account with a higher yield.

Mike Cepak of SDDENR agreed to allow Norwest to hold the CD's in safekeeping on behalf of SDDENR. He requested that certificates of safekeeping be issued to SDDENR to document the account balances and new investments until we open the investment account in July at which time SDDENR would hold the account (with copies to Brohm).

A representative from Brohm will bring the first check to either you or Sheryl either today or Wednesday to get the ball rolling. Please confirm to me when the account and CD are opened. If you have any questions, please feel free to call.

Sincerely,

J.C. Sowers, III  
Treasurer

cc: Shawn Murra and Rod MacLeod, Brohm Mining Corp.

**COLLATERAL RECORD  
AND RECEIPT**

Must be delivered to Bank  
for withdrawal of securities.

Received of: Brohm Mining Co and  
SD Dept. of Environment &  
Natural Resources

Date: 4-11-95

No. 8974  
Safekeeping ☐  
Collateral File ☐  
Credit File ☐

Address: \_\_\_\_\_

The following described securities as collateral:

Instrument Number	Description	Par Value or No. Share	Market Value	Date Returned	Securities Returned Acknowledged by Signature
0527000634	Savings Certificate		5900.00		

To be held by said Bank, its successors or assigns, as collateral for any and all checks, drafts, notes, endorsements, overdrafts made or discounts obtained or other debts incurred by said

or

legal representatives or assigns due or to become due to said Bank. The Bank is authorized to sell or dispose of any such collateral at public or private sale without notice, should said indebtedness or any part thereof not be paid when due. The Bank shall not be liable for the loss of any of the securities deposited as collateral by reason of fire, theft, tornado, robbery or other cause and incident beyond that of exercising diligent care.

NORWEST BANK SOUTH DAKOTA, N.A.

Deadwood SD

THE UNDERSIGNED HEREBY CERTIFIES THAT THE WITHIN RECORD IS CORRECT  
AND AGREES TO AND ACCEPTS THE WITHIN TERMS AND CONDITIONS.

Donna J. Thompson  
NC 82117 LND 1SD

BY Shirley Beigen



NORWEST BANKS NORWEST BANK SOUTH DAKOTA, N.A.

Maturity Date. My certificate will mature in 94 months 44 days

Annual rate of interest 4.35 Date issued 04/11/95

Payment of Interest. Interest will be paid

AT WITHDRAWAL

You have issued this savings certificate to me in return for my deposit in the amount below.

My Deposit FIVE THOUSAND NINE HUNDRED AND 00/100

Depositor(s) name and address

BROHM MINING CORP  
AND SD DEPT OF ENVIRONMENT  
& NATURAL RESOURCES  
PO BOX 485  
DEADWOOD SD 57732

**Savings Certificate**

**0527000634**

The method of payment will be: BY CHECK

**Renewability**

YOU WILL NOT AUTOMATICALLY RENEW MY CERTIFICATE  
AT MATURITY.

\$ \*\*\*\*\*\$5,900.00

Redeemed amount	Holder number 527000634
	Taxpayer identification number 46-0394947

052 664 04/12/95 16:38

Bank# 0830

⑈0527000634⑈ ⑆091400046⑆

232006⑈

972

STATE OF SOUTH DAKOTA  
U.S. SECURITIES OR CASH  
ENVIRONMENTAL FINANCIAL ASSURANCE PURSUANT TO SDCL 34A-10

1. This Agreement and Assignment is entered into by the South Dakota Board of Minerals and Environment, hereinafter referred to as "State", and Brohm Mining Corp.  
P.O. Box 485, Deadwood, SD 57732-0485, hereinafter referred to as "Assignor", following Assignor's procurement of a Mining/Milling Permit, permit number 439.
2. For value received, Brohm Mining Corp., Assignor, does hereby assign, transfer, and set over to the State, the sum of \$1,000,000 in cash or United States Government Securities hereafter listed.
3. The Assignor makes this assignment in full or in part pursuant to the requirements of SDCL Chapter 34A-10, as applicable.
4. The United States Securities hereby pledged are described as follows:  

Size of Security	Number	Date	Amount
The cash deposit hereby pledged is described as follows:			
Date	Amount	Number	Bank
March 22, 1995	\$1,000,000	0527000608	Norwest Bank, Deadwood
5. The United States Securities or cash deposit shall be held by the State of South Dakota during the term of this assignment.\*
6. The State may at any time after the Assignor fails to fully comply with all the requirements of the permit, SDCL 34A-10, as applicable, and the Rules and Regulations adopted thereunder, and after giving written notice to the Assignor, surrender the United States Securities to any bank in exchange for money, or proceed against the cash deposit.
7. The United States Securities or cash deposit may be released by the State when the Assignor's obligations under the permit, SDCL 34A-10, as applicable, and the Rules and Regulations adopted thereunder are fully performed, or when the Assignor is succeeded by another operator who has a permit and bond involving the same financial assurance covered by the Assignor's permit.
8. The Assignor under this agreement hereby acknowledges that under the provisions of SDCL 34A-10-2.2 and 34A-10-2.3, all right and title in any bond or other security shall be in the state until such time as the board, by order releases the security. Such bond or other security does not constitute an asset of the person required to provide it, and may not be canceled, assigned, revoked, disbursed, replaced or allowed to terminate without board approval. The bond or security may not be assigned for the benefit of creditors, attached, garnished, levied or executed on, or subject to process issued from any court except for the purpose of enabling the state to effectuate environmental cleanup or remediation.

9. Signed and dated this 17<sup>th</sup> day of April, 19 95.  
[Signature] P.O. Box 485 Deadwood SD  
 Assignor's Signature Address 57732

**STATE ACCEPTANCE**

The State of South Dakota, Board of Minerals and Environment, hereby accepts the foregoing assignment of the United States Securities or cash, as the case may be, in the amount of \$ \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

Chairman, South Dakota Board of Minerals and Envi

\*The Assignor has agreed that all interest earned on the cash dep: the cash deposit is being held by the State.

Post-It™ brand fax transmittal memo 7571		# of pages > 1
To <u>JC/Martin</u>	From <u>Red</u>	
Co. <u>S Dakota</u>	Co. <u>Brohm</u>	
Dept.	Phone #	

TOTAL P.01

**U.S. SECURITIES OR CASH  
ENVIRONMENTAL FINANCIAL ASSURANCE PURSUANT TO SDCL 34A-10**

1. This Agreement and Assignment is entered into by the South Dakota Board of Minerals and Environment, hereinafter referred to as "State", and Brohm Mining Corp.

PO Box 485, Deadwood, SD 57732-0485, hereinafter referred to as "Assignor", following Assignor's procurement of a Mining/Milling Permit, permit number 439.

2. For value received, Brohm Mining Corp., Assignor, does hereby assign, transfer, and set over to the State, the sum of \$1,000,000 in cash or United States Government Securities hereafter listed.
3. The Assignor makes this assignment in full or in part pursuant to the requirements of SDCL Chapter 34A-10, as applicable.
4. The United States Securities hereby pledged are described as follows:

Size of Security	Number	Date	Amount
------------------	--------	------	--------

The cash deposit hereby pledged is described as follows:

Date	Amount	Num
------	--------	-----

March 22, 1995	\$1,000,000	0527
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5. The United States Securities or cash deposit shall be held by assignment."

6. The State may at any time after the Assignor fails to fully SDCL 34A-10, as applicable, and the Rules and Regulations a to the Assignor, surrender the United States Securities to an the cash deposit.

7. The United States Securities or cash deposit may be release under the permit, SDCL 34A-10, as applicable, and the Rule performed, or when the Assignor is succeeded by another of same financial assurance covered by the Assignor's permit.

8. The Assignor under this agreement hereby acknowledges tha SDCL 34A-10-2.2 and 34A-10-2.3, all right and title in any bond or other security shall be in the state until such time as the board, by order releases the security. Such bond or other security does not constitute an asset of the person required to provide it, and may not be canceled, assigned, revoked, disbursed, replaced or allowed to terminate without board approval. The bond or security may not be assigned for the benefit of creditors, attached, garnished, levied or executed on, or subject to process issued from any court except for the purpose of enabling the state to effectuate environmental cleanup or remediation.

9. Signed and dated this 17<sup>th</sup> day of April, 19 95.

[Signature]  
Assignor's Signature

PO Box 485 Deadwood SD  
Address

57732

**STATE ACCEPTANCE**

The State of South Dakota, Board of Minerals and Environment, hereby accepts the foregoing assignment of the United States Securities or cash, as the case may be, in the amount of \$ \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

Chairman, South Dakota Board of Minerals and Envi

\*The Assignor has agreed that all interest earned on the cash depx the cash deposit is being held by the State.

Post-It™ brand fax transmittal memo 7671

# of pages > |

To	IC/Martin	From	Pred
Co.	S Dakota	Co.	Brohm
Dept.		Phone #	

TOTAL P.01

*Darlene - ✓  
Please file in the new file we established for Brohm's environmental bond w/SD. This is the assignment of the CD*

TO ARD bond  
files (Brohm)

MARVIN D. TRUHE  
LAW OFFICES

METROPOLITAN FEDERAL BANK PLAZA  
5TH FLOOR  
P.O. BOX 8106  
RAPID CITY, SOUTH DAKOTA 57709  
TELEPHONE (605) 342-2800

MARVIN D. TRUHE  
DALE R. COCKRELL

TELECOPIER  
(605) 342-2801

April 4, 1995

TELECOPIED

Mr. Robert R. Gilmore  
Vice President-Finance, Chief  
Financial Officer and Secretary  
Dakota Mining Corporation  
410 Seventeenth Street, Suite 2450  
Denver, CO 80202

Re: Financial Assurance for ARD Plan

Dear Robby:

The DENR sent me three documents relating to your latest financial assurance, asking for our review and approval. The first two you have already seen--the Demand Note as Proof of Financial Assurance that you signed on March 16 at the hearing (they made a typographical correction); and the Financial Assurance Provisions Document which is the one page "order" I prepared for Richard Sweetman's signature (they had to correct the date to reflect the date it was actually signed).

The third document is the enclosed Environmental Financial Assurance Form which is a new form they prepared for use with SDCL 34A-10 financial assurances. In Brohm's case it will be used to evidence the new \$1 Million cash deposit. Please note the fine print at the bottom of the page, tailored to your case, which reflects how earned interest will be treated.

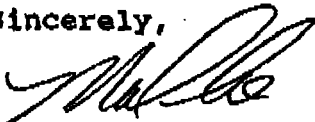
The form appears acceptable (except for a correction in the fifth line of paragraph 8, which should read ". . . may not be assigned for the benefit of creditors . . ." The new form is very similar to the current DENR form used for reclamation bonds under SDCL 45-6B (a copy of which I have also enclosed).

Mr. Robert R. Gilmore  
Page 2  
April 4, 1995

Please let me know if you have any other suggested changes or corrections, and if I do not hear from you I will inform the DENR that the form is okay with us (with the above correction).

Thank you.

Sincerely,



Marvin D. Truhe

MDT:nlb

Enclosures

STATE OF SOUTH DAKOTA  
U.S. SECURITIES OR CASH

## ENVIRONMENTAL FINANCIAL ASSURANCE PURSUANT TO SDCL 34A-10

New Finan Assur  
Form for your  
review

1. This Agreement and Assignment is entered into by the South Dakota Board of Minerals and Environment, hereinafter referred to as "State", and \_\_\_\_\_, hereinafter referred to as "Assignor", following Assignor's procurement of a Mining/Milling Permit, permit number \_\_\_\_\_.
2. For value received, \_\_\_\_\_, Assignor, does hereby assign, transfer, and set over to the State, the sum of \$ \_\_\_\_\_ in cash or United States Government Securities hereafter listed.
3. The Assignor makes this assignment in full or in part pursuant to the requirements of SDCL Chapter 34A-10, as applicable.
4. The United States Securities hereby pledged are described as follows:
 

Size of Security	Number	Date	Amount
The cash deposit hereby pledged is described as follows:			
Date	Amount	Number	Bank
5. The United States Securities or cash deposit shall be held by the State of South Dakota during the term of this assignment.
6. The State may at any time after the Assignor fails to fully comply with all the requirements of the permit, SDCL 34A-10, as applicable, and the Rules and Regulations adopted thereunder, and after giving written notice to the Assignor, surrender the United States Securities to any bank in exchange for money, or proceed against the cash deposit.
7. The United States Securities or cash deposit may be released by the State when the Assignor's obligations under the permit, SDCL 34A-10, as applicable, and the Rules and Regulations adopted thereunder are fully performed, or when the Assignor is succeeded by another operator who has a permit and bond involving the same financial assurance covered by the Assignor's permit.
8. The Assignor under this agreement hereby acknowledges that under the provisions of SDCL 34A-10-2.2 and 34A-10-2.3, all right and title in any bond or other security shall be in the state until such time as the board, by order releases the security. Such bond or other security does not constitute an asset of the person required to provide it, and may not be canceled, assigned, revoked, disbursed, replaced or allowed to terminate without board approval. The bond or security may not be assigned of the benefit of creditors, attached, garnished, levied or executed on, or subject to process issued from any court except for the purpose of enabling the state to effectuate environmental cleanup or remediation.
9. Signed and dated this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

Assignor's Signature

Address

## STATE ACCEPTANCE

The State of South Dakota, Board of Minerals and Environment, hereby accepts the foregoing assignment of the United States Securities or cash, as the case may be, in the amount of \$ \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

\_\_\_\_\_  
Chairman, South Dakota Board of Minerals and Environment

\*The Assignor has agreed that all interest earned on the cash deposit will be added to the cash deposit for the environmental surety while the cash deposit is being held by the State.

STATE OF SOUTH DAKOTA  
U.S. SECURITIES OR CASHCurrent Reclamation  
Bond Form

1. This Agreement and Assignment is entered into by the South Dakota Board of Minerals and Environment, hereinafter referred to as "State", and \_\_\_\_\_, hereinafter referred to as "Assignor", following Assignor's procurement of a Mining License \_\_\_\_\_, Mining/Milling Permit \_\_\_\_\_, Exploration Notice of Intent \_\_\_\_\_, Uranium Exploration Permit \_\_\_\_\_, permit/license number \_\_\_\_\_.
2. For value received, \_\_\_\_\_, Assignor, does hereby assign, transfer, and set over to the State, in lieu of posting a surety bond, the sum of \$ \_\_\_\_\_ in cash or United States Government Securities hereafter listed.
3. The Assignor makes this assignment pursuant to the requirements of SDCL Chapter 45-6, 45-6B, 45-6C, and 45-6D, as applicable.
4. The United States Securities hereby pledged are described as follows:
- | Size of Security   | Number | Date   | Amount |
|--|--------|--------|--------|
| The cash deposit hereby pledged is described as follows: |        |        |        |
| Date   | Amount | Number | Bank   |
5. The United States Securities or cash deposit shall be held by the State of South Dakota during the term of this assignment.
6. The Assignor is entitled to any earnings or interest upon the cash proceeds after the State has surrendered the United States Securities. The Assignor is entitled to any earnings or interest upon the cash proceeds of a cash deposit while the cash deposit is being held by the State.
7. The State may at any time after the Assignor fails to fully comply with all the requirements of the permit/license, reclamation plan, operating plan, SDCL 45-6, 45-6B, 45-6C, and 45-6D, as applicable, and the Rules and Regulations adopted thereunder, and after giving written notice to the Assignor, surrender the United States Securities to any bank in exchange for money, or proceed against the cash deposit.
8. The United States Securities or cash deposit may be released by the State when the Assignor's obligations under the permit/license, reclamation plan, operating plan, SDCL 45-6, 45-6B, 45-6C, and 45-6D, as applicable, and the Rules and Regulations adopted thereunder are fully performed, or when the Assignor is succeeded by another operator who has a permit/license and bond involving the same affected land covered by the Assignor's permit/license.
9. The Assignor under this agreement hereby acknowledges that under the provisions of SDCL 34A-10-2.2 and 34A-10-2.3, all right and title in any bond or other security shall be in the state until such time as the board, by order releases the security. Such bond or other security does not constitute an asset of the person required to provide it, and may not be canceled, assigned, revoked, disbursed, replaced or allowed to terminate without board approval. The bond or security may not be assigned of the benefit of creditors, attached, garnished, levied or executed on, or subject to process issued from any court except for the purpose of enabling the state to effectuate environmental cleanup or remediation.
10. Signed and dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Assignor's Signature

Address

## STATE ACCEPTANCE

11. The State of South Dakota, Board of Minerals and Environment, hereby accepts the foregoing assignment of the United States Securities or cash, as the case may be, in the amount of \$ \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_.

Chairman, South Dakota Board of Minerals and Environment  
Secretary, Department of Environment and Natural Resources

Post-It Fax Note 7671

Date	4/4/95	P. 05
To	Mon-Frue	From Mike Lepore
Co/Dept		Co.
Phone #		Phone #
Fax #	642-2801	Fax # 642-6035

MARVIN D. TRUHE  
LAW OFFICES  
Metropolitan Federal Bank Plaza  
5th Floor  
P.O. Box 8106  
Rapid City, SD 57709  
Telephone (605) 342-2800  
Telecopier (605) 342-2801

Marvin D. Truhe  
Dale R. Cockrall

## TELECOPIER TRANSMITTAL LETTER

DATE: April 4, 1995

TO: Robby Gilmore

FROM: Mary Truhe

OPERATOR: Nancy

5 pages including this cover sheet.

If you do not receive all pages, please call (605) 342-2800. Thank you.

The information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone at the number above and return the original of this transmittal to us at the address above via the U.S. Postal Service. Thank you.